The China Weekly
REVIEW
密勒氏評論報
A Weekly Newspaper Established in 1917

Manchurian Issue Cannot Be Separated From Disarmament Question

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Formerly Millard's Review

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U. S. SENATE'S DELAY IN APPROVAL OF JUDGE HELMICK

THERE may or may not be significance in the delay of the U. S. Senate in ratifying the appointment of Judge Dwight Helmick as presiding officer of the American Court in Shanghai. Judge Helmick's appointment as Judge in Shanghai was announced by President Roosevelt on Feb. 20 and doubtless was sent to the Senate for confirmation immediately. But since Judge Milton D. Purdy's term officially expired on Feb. 26, it means that the local American court has been without a presiding officer for more than a month and even should Judge Helmick's appointment be confirmed immediately it would still require several weeks before he could come to Shanghai and assume his post. The *United Press* message from Washington which was published in the *Shanghai Evening Post* on April 10 suggested that there might be a possibility of further delay in the Senate's confirmation, or at least the last paragraph of the message was ambiguous on that point because it quoted Senator P. A. McCarron, Democrat of Nevada, as stating that Judge Helmick had not been "eliminated." This statement naturally has led to considerable speculation in Shanghai, particularly in view of the earlier statement in the *United Press* message that a subcommittee of the Senate Judiciary was studying the matter carefully, particularly the "record of the man who for ten years would be charged with the administration of American justice in China." Judge Helmick for the past eight years has been a judge of the state court in New Mexico and according to the original reports announcing his appointment here, he has had a good record. There is special interest in the question at this time due to the fact that China has officially proposed a revision of the Sino-American treaty on exterritoriality which expired on Jan. 13 of this year. Whether there is likely to be an unofficial exchange of views between the United States and Great Britain on the subject of revising the exterritorial treaties is not known, but a London dispatch recently published in the newspapers in Japan quoted Sir John Simon, British Foreign Minister, as stating that there were several clauses in the Sino-British treaty which were out of date and should

be revised. The Sino-British treaty officially expired on July 28 of last year. Whether the U. S. Senate Judiciary committee, which would be concerned indirectly with the revision of the Sino-American treaty is linking that subject with the confirmation of Judge Helmick is not known. But regardless of the reason there is hope that the matter may be given attention shortly, for the lack of an American judge in Shanghai is causing considerable embarassment.

STRANGE ALTRUISM ATTRIBUTED AMERICAN IMPERIALISM

AN organization in the United States known as "Friends of the Chinese People" is responsible for a mimeographed monthly publication called *China Today* which is devoted largely to attacks on the so-called "imperialists," including America, and laudation of the Chinese Communists. Most of the material in the journal follows the usual routine and phraseology of journals of this character but there was one paragraph on page 5 dealing with Nanking's alleged negotiations with other powers which is deserving of reproduction because of its ridiculousness:

> "The Nanking government, the tool of American imperialism, has not only sold out Manchuria and north China to Japanese imperialism, but has sold out Tibet, Sikong, and Szechuen to British imperialism, and Yunnan, Kwangsi and nine islands located in the south sea to French imperialism."

It apparently did not occur to the writer of this paragraph that he unconsciously credited American imperialists with unsuspected altruism in their China policies, for if the Nanking government was the tool of American imperialists, it obviously would not be "donating" or "selling out" other parts of China to America's trade rivals. It was America's opposition to the partitioning of China among the Powers that was responsible for the creation of the Open Door policy, otherwise the right to equal trading privileges in all parts of the country. The declaration of this policy by the American Secretary of State, John Hay, in 1898 was designed for the purpose of preventing the partitioning of China among the European Powers and it had the effect of stopping the tendency which was prevalent at that time. The Nine-Power treaty, signed at the Washington Conference in 1922, which put the Open Door policy into definite treaty form, was a further step in the same direction, hence the ridiculousness of the allegation that the Nanking Government, a "tool of American imperialism" is engaged in disposing of other parts of China to America's trade rivals. Obviously if American "imperialists" controlled the Nanking Government and directed its policies, they would even more strenously oppose the lopping off of China's outlying territories than has been the case since the beginning of the Manchurian controversy in 1931. American policy toward China always has been opposed to the dismemberment of the country hence the asininity of the allegation that American influence is being exerted at the present time to an opposite effect.

CHINESE AND THE PROPORTION OF TAXES

THE *Review* is in receipt of the following statement from the Publicity Department of the Shanghai Municipal Council in reply to a statement in an editorial in *The Review* of April 7 page 200 that "the Chinese pay anywhere from 60 to 80 percent of the local taxation revenues which support the administration":—

> "From a communique on Chinese representation on the Council, sent you Feb. 26 you will see that the Chairman of Council stated that the request for increased Chinese requesentation was based on the proportion of taxation paid by the Chinese and foreign sections of the community, which the Association computed at a ratio of 64 to 36 respectively as against a ratio of 55 to 45 in 1928. This comparison was made upon a misapprehension. In 1927, 38 per cent of the General Municipal Rate was paid by foreigners and 62 per cent by Chinese, which proportion was much the same as the 36 per cent and 64 per cent obtaining at the present time. Further, the ratio of 55 to 35 referred to in 1928 was arrived at after taking into consideration the four main sources of the Municipal revenue, i.e. Land Tax, Rates, Licence Fees and Wharfage Dues. To-day on the same basis the ratio is approximately 57 to 43.

With all due respect to the S.M.C.'s publicity staff however, the point still remains that the actual Chinese taxes as paid under camouflaged foreign land taxes will probably bring the percentage to that orginally stated in the *Review* editorial.

NEW ALIGNMENT OF BRITISH-TIBETAN-CHINESE RELATIONS

THE *Review* has already noted the crisis brought to Tibet by the death last December of the Dalai Lama, the ruler under whose authority the movement for modernism and militarism grew and developed in the Lama kingdom, against the opposition of most of the lamas so powerful in Tibet. The first effect of the Dalai Lama's death on the situation in western China was that a Tibetan drive into Hsikang which had just started was suddenly checked, most of the troops being withdrawn. This withrawal was evidently the result of internal conditions in Tibet. The Tibetan army, British trained and equipped, and with British-educated officers, is the stronghold of the "new" party in the old Buddhist kingdom, and appears to have been largely withdrawn to Lhassa to hold control there during the critical period following the Dalai Lama's death.

Following the Dalai Lama's death there was a report that he had been poisoned. This, indeed, was not an unusual thing, as the situation in the past has generally been that a Regent has actually exercised power, the Dalai Lama being usually a child who somehow passed away before he reached maturity. But the last Dalai Lama succeeded in hanging on for many years, and

actually exercising power, assisted by his nephew as Prime Minister, and his Ministers and army commanders. The early report that he was finally poisoned, however, is now strengthened by a story from Kalimpong which appeared in the *North-China Daily News*, giving details. The Dalai Lama's servant, it appears, gave him medicine upon the advice of a person "supposed to be possessed by the spirit known as Nechung Chaikyong, which defends Tibet and its religion." A few weeks later the servant and three of his relatives were arrested, also the man whose advice was referred to. The latter, however, was freed, and the "administration of the wrong medicine" fastened upon "the evil spirit of a learned lama . . who in life was known to be pro-Chinese. During the Tibet-China War he was imprisoned in Darjeeling, where he committed suicide, his spirit going forth with the express purpose of harming the Dalai Lama, who had ordered his incarceration." Through this farrago of what seems to be nonsense runs the point that the man responsible for causing the poisoning was set free, and the crime fastened upon the spirit of a pro-Chinese lama.

The attitude of the new regime was shown by the report from London, on February 28, of the placing of a large order in England for electrical equipment for the lighting of Lhassa by electricity. This, like other innovations, had previously been successfully opposed by the old-line lamas. Now, however, the progressives evidently had the upper hand, and the modernization of Tibet, with Tibetan engineers trained in England, was to go ahead. *Reuter* described the new enterprise as "the first step in the modernization of Lhassa." About the same time as this order was placed, Tibetan forces returned to the Chinese border, denounced last year's armistice, and demanded of General Liu Wen-hui in Hsikang the surrender of Tehkeh (De-ge), Kantze, Chanhua, the salt wells of southern Hsikang, and all of Pa-an district west of the river. At the begining of March, their demands being refused, they started a new offensive, warning general Liu that they had the support of a "certain country." March 12 the excellently equipped and drilled Tibetan forces—a modern army—crossed the Chinsha. March 16 they captured Tehkeh.

The modern and military party had clearly gained the upper hand in Tibet. They had, however, reached an understanding with the more conservative lamas. The Panchen Lama, a "living Buddha" like the late Dalai Lama but forced to flee the country by the latter more than ten years ago, was to return from his long exile in China. Naonar Hutukhtu, "living Buddha" of western Szechuan—now Hsikang,—who was imprisoned by the Dalai Lama, but had escaped and fled the country more than ten years ago, was also, it appears, to return. It was reported, indeed, that the Panchen Lama was to be a teacher of the new Dalai Lama, when the infant reincarnation of the latter is discovered.

There seems to be some doubt, however, as to the coming of the new Dalai Lama,—a situation which possibly means the end of the Buddhist hierarchy of Tibet. It has been customary for each Dalai Lama, before his death, to give out some information about the circumstances of his next incarnation, as his death is supposed to be merely the passing of his spirit from one mortal frame to a new one, entering into the body of a child being born into the world. According to a statement by the Panchen Lama, however, the late Dalai Lama failed to give this indispensable information regarding the place of his next appearance on earth. This greatly complicates the situation, and doubt has been expressed as to whether there will be another Dalai Lama at all.

As regards the relations of Tibet with Britain and China, those who have expected that the return of the Panchen Lama would mean a lessening of foreign influence in Tibet may be disappointed. More than a year ago, after negotiations by the Panchen Lama through the British Legation in Peiping, permission was granted by the British authorities for his envoy to go to Tibet, indicating that—after ten years—he was making his peace with the powers that be in Tibet. His rival, the Dalai Lama, is now dead. Anchin Hutukhtu, the Panchen Lama's representative, is now returning from Tibet, with a deputation of fifty lamas, to bring the long-exiled Buddha back to Lhassa. The deputation traveled, of course, via India.

On March 28 Nanking instructed Liu Wen-hut in Hsikang to surrender to the Tibetans the big Tachinshih and Tachiehshih monasteries, Nanking having evidently reached some agreement. March 30 the Tibetan lamas' delegation arrived at Kalimpong—where a Lhassa representative is stationed—en route to China. In the meantime, the late Dalai Lama's nephew is reported to be still carrying on as Premier at Lhassa. In connection with the probable return of the Panchen Lama to Tibet, a *Reuter* message from Calcutta stated that "observers foresee a tendency towards co-operation between the Chinese and Tibetan governments." There is no reason to doubt this, and also no reason to expect any weakening of Britain's influence in Tibet, established at the time of the Chinese Revolution and strengthened and consolidated in the course of twenty years during which China has exercised no direct control whatsoever over the Lama kingdom.

Bible Societies in China Urged to Join Forces

Unification of the work of the three large foreign Bible societies in China was urged by speakers at the annual meeting of the China Agency of the British and Foreign Bible Society held in Shanghai last week. The Rt. Rev. John Curtis, Bishop of Chekiang, presiding, expressed the hope that the Bible societies working in China will get together for the more effective carrying out of the spirit of cooperation shown by the various Christian bodies. Dr. Y. Y. Tsu, of the National Christian Council of China, spoke on behalf of the Chinese Christians. "Of the more than 9,000,000 Bibles and of Scripture portions circulated in China, many are in the hands of children," he said, illustrating his point with a story about his own sons.

Woodhead's Manchukuo Propaganda and Question of Exterritorial Privileges

IF a citizen of China should start a magazine or embark on a propaganda scheme in Shanghai designed for the purpose of encouraging recognition of Manchukuo, he would immediately find himself in difficulties with the Chinese authorities. If he should go still further and publish articles commending the enthronement of the ousted and discredited Manchu Pu Yi as the emperor of the puppet state, he probably would be regarded as a traitor or seditionist and would be punished if the Chinese authorities could effect his arrest. As a matter of fact the Nanking Government recently issued orders for the arrest and punishment of all traitors and seditionists who were concerned with the Manchukuo coronation or anyone else who might be involved in similar seditious activities. In addition, Gen. Chiang Kai-shek last week issued instructions to the Peiping military authorities to be on their guard against traitors in the Peiping-Tientsin district. No one familiar with the present attitude of the Nanking authorities, particularly Wang Ching-wei head of the Executive Yuan or the leaders in the Kuomintang, will dispute the accuracy of this statement. Wang Ching-wei made himself clear on this issue at the time of the Pu Yi coronation at Changchun and a recent dispatch from Geneva stated that Mr. Wang's declaration had been officially registered with the League and communicated to the various nations which are members of the Geneva body.

But in spite of this official prohibition upon seditionist activities, a prohibition which is supported almost unanimously by all intelligent and patrotic Chinese, it is of considerable significance that a British subject, a resident of Shanghai, has for several months been conducting an open campaign for the recognition of Manchukuo not only by China but by the various foreign governments and has been doing so from the vantage point of the International Settlement where he has the nominal protection of exterritoriality against interference by the Chinese authorities. We refer to H. G. W. Woodhead, editor of a newly-established magazine known as *Oriental Affairs*, who also is an occasional contributor to the Shanghai *Evening Post* and other local newspapers. On April 6 Woodhead contributed an article to the *Evening Post* wherein he admitted in the opening paragraph that the present political atmosphere in China "makes it difficult—if not dangerous—for any responsible Chinese to discuss the question of Manchukuo and its recogntion in a calm and dispassionate manner." But in spite of his open recognition of the prevailing patriotic sentiments of the Chinese on this important issue, Woodhead was responsible for the following declaration in favor of a recognition of the Japanese protected puppet state:

> "There can be little doubt that the futility of a passive policy of non-recognition is generally appreciated, today, in the principal Foreign Office in Europe and America. It is adhered to, partly as a matter of principle, partly as a friendly gesture towards China. But it is more and more becoming a question whether it does constitute real friendship towards this country. It certainly has the effect of encouraging China to cherish the vain delusion that Manchuria will somehow or other be brought back into the Republican fold. And inasmuch as this *is* only a delusion, it might really constitute greater friendliness on the part of the Governments concerned, were they to advise China to accept the inevitable, and secure a definite boundary between the territories of the Republic, and those of the new State. Individual action on the part of any of the Powers other than Russia and Germany, is out of the question, owing to the engagements into which they have entered at Geneva. But joint advice on the lines suggested, might save the Chinese Government from the embarrassment of a decision on its own initiative, which would simply furnish ammunition for its political adversaries."

This was but one paragraph of a column-long article wherein Woodhead advocated the recognition of Manchukuo and presented the usual arguments which have been a familiar feature of Japanese propaganda since the unlawful seizure of Manchuria by the Imperial Japanese Army in the fall of 1931. In the April number of Woodhead's *Oriental Affairs*, he not only presented a long detailed personal account of the Pu Yi coronation with several nauseating references to his own part in the show, but also published an article entitled "Two Antagonists," wherein he referred disparagingly of Wang Ching-wei's attitude on the Pu Yi coronations. After referring to Wang Ching-wei as the leader of the Chinese republicans instrumental in the overthrow of the Manchu in 1911 and Wang's continued opposition to Manchu monarchism in China, Woodhead made this signicant statement:

> "Mr. Wang Ching-wei is 22 years older than the Manchu Emperor, whose rule he played a conspicuous part in overthrowing. His resentment at the turn in events which has resulted in the reassumption of an Imperial Title by the former Emperor is understandable. But in view of the fact that he was one of the republican leaders responsible for the conclusion of the Abdication Agreement, every condition of which has since been violated, it ill becomes him to describe the recent enthronement as an act of a traitor, or as *lese majeste*, while it is, of course, farcical to issue a Mandate ordering the Emperor and his associates to be treated as bandits. If ever any individual had just cause for hostility towards the Chinese Republic it is the Manchu Emperor. The treachery and *lese majeste* have not been on his side."

For many years Woodhead, as the editor of the British paper in Tientsin, wept bitter tears over the alleged mistreatment of the ousted Manchu ruler. One wonders why? Sir Reginald Johnson, the former British tutor to Pu Yi, also frequently criticised the Chinese republicans for their lack of respect for the ousted and discredited "Boy Emperor," but his attitude was easy to understand for the Chinese withdrawal of Pu Yi's subsidy and their action in driving him out of Peking caused Johnson to lose his job. But Woodhead's deep interest in the welfare of Pu Yi, a feeling which is not shared by anyone else—

excepting the Japanese—is more difficult to understand. Republics never have been noted for their friendship for ousted and discredited emperors or dynasties which had abused their trust. The Chinese were compelled because of outside pressure to subsidize the Manchu family and permit them to reside in the Forbidden city in Peking, but when the opportunity came they kicked them out bag and baggage just as other republicans have done the world over. There is nothing strange in this perfectly understandible reaction of the Chinese republicans and so far as we know it is only Woodhead who weeps and protests about it!

In the first issue of his *Oriental Affairs* last December, Woodhead inaugurated his propaganda for Chinese recognition of Manchukuo, making the following declaration:

> "Although much anti-Japanese feeling still exists throughout the country, the more responsible Chinese leaders have apparently come to the conclusion that an attitude of continuous intransigence where Japan is concerned is not only futile but a serious menace to the future of the nation. That now, or in the near future, any arrangement will be made that can be construed as formal recognition of the independence of Manchukuo, is extremely improbable. But short of this China's present leaders would undoubtedly be ready to go to very great lengths to secure a *modus vivendi*, and more cordial relations with the Japanese. They have been forced to recognize that Manchuria has gone, until such time—if ever—as Japan can be expelled by force from that territory, and they cannot be ignorant of the fact that amazing material progress is being made in the former Dependency, under Japanese supervision. They must also realize that retaliatory action in regard to mails, customs, etc., is calculated to harm Chinese more than Manchukuo interests. As a matter of expediency, therefore, and not because they approve of Japan's past actions, they are desirous of reaching some kind of arrangement that will relegate the Sino-Japanese dispute to the background, and leave them free to cope with the increasingly urgent domestic problems of the country."

Obviously, no Japanese militarist from warlord Araki down could have put the case for China's recogniton of Manchukuo in more seductive terms. In the next, or January issue of his *Oriental Affairs* Woodhead published his "personal impressions" of the former Manchu Emperor while a resident in the Japanese concession at Tientsin and attempted to disprove the widespread reports that Pu Yi had been kidnapped by the Japanese and taken to Manchuria late in 1931 or early in 1932 during the course of the Japanese instigated disturbances in Tientsin. Woodhead claimed that Pu Yi had left Tientsin and gone to Manchuria on a Japanese ship voluntarily, but he rather let the cat out of the bag regarding the Chinese attitude toward the "Boy Emperor" by stating that Pu Yi "probably would have been shot if he had been caught and identified by Chinese troops." This issue of Mr. Woodhead's magazine also contained an article criticising the attitude of America and the League on the non-recogniton of Manchukuo.

The February number of *Oriental Affairs* started out with an article on the creation of a monarchy in Manchukuo wherein Woodhead again warned the Chinese against a continuance of their non-recognition attitude, in the course of which he declared:

> "The obvious separatist tendencies in north China have not yet shown any definite tendency towards a Monarchical Restoration. But the elevation of Mr. Pu Yi to the Throne must have some intra-mural reactions, and, if these are not to take the form of a movement for the reinstatement of Peking as the Imperial Capital, the Chinese National Government will be well-advised to lose no time in seeking to consolidate its position in the North, in redressing the grievances of the people, and bringing to an end the uncertainty and instability due to its unwillingness to arrive at a *modus vivendi* with the new state. The change to a Monarchy must be regarded as further evidence of the permanency of the new regime in Manchuria. Whether in actual fact it strengthens or weakens Japan's control over the territory, it certainly offers no hope of the return of the four provinces to Chinese allegience. It would be well for China if she is to go ahead with her problems of reconstruction, to write off Manchukuo, either as a liability or as an asset, for at least a generation to come, and, in the interval, to concentrate all her energies upon internal reorganization, and the renewal of her national strength, etc. . . . ."

The March issue of *Oriental Affairs* continued the Manchukuo refrain with an article allegedly written by a Chinese named "Liao Ko-ko," who told of a two weeks' tour of the puppet state, in the course of which he claimed to have had lunch with Gen. Doihara the Japanese arch-conspirator who was largely responsible for the original Mukden incident on the night of Sept. 18, 1931, the spiriting of Pu Yi from Tientsin to Dairen and the later creation of the "independent" state and restoration of the Manchu monarchy at Changchun. Mr. Liao repeated Woodhead's statements about the "childish attitude of the Kuomintang government in cutting off all means of communication between north China and Manchukuo," and in referring to the Japanese conspirator Doihara he declared that "his charming manners belie all the press propaganda against him." Without having any further information about the mysterious "Mr. Liao" it is safe to say that any Chinese who would speak so favorably of the Japanese conspirator would be open to suspicion on the part of his patriotic fellow countrymen.

Whether Woodhead had any connection with an alleged resolution passed by the Committee of the local British Residents Association on January 29 favoring recogniton of Manchukuo, is not known, but it is known that he has been a moving spirit in that organization since its formation two years ago. The *People's Tribune*, a Chinese magazine published a caustic editorial criticism of the action of the local British organization and referred sarcastically to the fact that after passing the resolution the executive committee did not have sufficient courage to make the text of the resolution public but issued a notice to its membership asking them to "apply personally at the office of the Association for details." The *Tribune* concluded its comment with the following words, "Those of our readers who may wonder why half a dozen Shanghailanders should bother themselves about Manchurian affairs should know that among other matters which have engaged the attention of the B.R.A. Committee is alleged

discrimination against British trade in our Three Eastern Provinces since that territory has been under Japanese control. We suspect that the Committee favours recogniton of "Manchukuo" by the British Government, and bases that view upon the argument that the policy of non-recognition means that there is no chance for British traders to compete in Manchuria with the Japanese while Japan continues to have the key of the "open door" in her possession. Maybe that is so, and maybe British merchants have a right to feel sore about it, any maybe—on the principle that one good turn deserves another—Japan will see that the door is opened a little wider if the B.R.A. will do what the Shanghai Foreign Residents' Association from whose loins it sprang) was expected to do—support the scheme for putting Shanghai under the joint control of the Powers, a plan strongly favored by the British journalist to whom Pu Yi recently gave a signed photograph, a pair of cuff-links, a tiffin, and a medal!"

Close Connection Between Manchurian Issue and Japanese-American Arms Race

WALTER LIPPMANN, one of the best known American commentators on international problems, in the course of a recent article in the New York *Herald-Tribune* called attention to the "dreadful truth that the race in armaments is not a threat, but is a reality." The armament race in the Pacific between Japan and the United States, according to Mr. Lippmann began two years ago following the Sino-Japanese hostilities in Manchuria and the setting up of Manchukuo as a Japanese protectorate. By violating the Kellogg Anti-War Pact, Japan destroyed one of the main foundations of the Washington Naval Treaty and thereby laid the basis for a new competition in armaments between Japan and the United States.

In concluding his article Mr. Lippmann stated the obvious fact that any attempt to limit warships, tanks and guns without settling outstanding international problems, is comparable to putting the cart before the horse. He therefore urged that a serious attempt be made to ameliorate the situation in the Pacific "through quiet diplomatic action in Japan, Russia, China, Great Britain and France in order to determine whether a new settlement in the Far East is possible." If such a possibility does exist the opportunity should be exploited, for otherwise the outlook is dark and the race in armaments in the Pacific is likely to become increasingly sharp. With reference to the situation in Europe, Mr. Lippman did not hold out much hope, because so long as the Nazi doctrine remains one of force, any eventual disarmament treaty would be devoid of meaning and would represent the product of mere diplomatic maneuvering rather than a real attempt at pacification. And while he made no mention of the fact that present Japanese policy is also one of force, he apparently believed that there exists better prospect of peaceful adjustment in this quarter than exists in Europe at the present.

The arms limitation agreement reached at the Washington Conference was the result of important political compromises. In 1921-1922, following the conclusion of the world war the United States was in a position to outbuild Great Britain and construct the most powerful fleet in the world, but the United States agreed not to do so and accept naval parity with England in exchange for Britain's agreement to abrogate her alliance with Japan. To quote Mr. Lippmann again, "We have agreed with Great Britain on parity in all naval armaments because they know and they know that we know that war would be suicidal for both. From the standpoint of Japan there was a similar compromise, America and Britain agreed to discontinue work on their fortifications at Guam, the Philippines and Hongkong and the United States agreed not to begin work on the planned fortification of certain of the Aleutian islands, thus recognizing Japan's predominant naval position in the Western Pacific in exchange for Japan's agreement to sign the Nine-Power Treaty and observe the Open Door in China. It was on this basis that the 5:5:3 naval arrangement was arrived at.

But after faithfully observing the conditions of the Washington agreements up to 1931, Japan threw discretion to the winds and beginning with the illegal Manchurian intervention in the fall of that year, has since violated all of the Washington treaties and the Anti-War Pact and the covenant of the League in addition. Now Japan is facing the next arms conference scheduled for 1935-1936 with a demand for naval parity with America and Britain, and has declared her intention of resisting any attempt on the part of China or the other Powers to bring up the Manchurian issue for consideration. Japan also has declared her intention of maintaining control of the Mandated South Seas (Caroline) islands, despite her withdrawal from the League. An article in the *Jiji* (Tokyo) on April 1 quoted Japanese military spokesmen as stating that China in all probability would attempt to bring up the Manchurian issue because of its bearing on the Nine-Power Treaty, but the Japanese military authorities are determined that there shall be no discussion of the Manchurian problem at the forthcoming conference, since it is obvious that the discussion would spokesmen as stating that China in all probability would adversely affect Japan's activities in the new state. For these reasons the Japanese militarists are determined that the Manchurian issue shall not be included in the agenda and in the event the Chinese and other nations insist upon bring-

ing it up, Japan is determined to withdraw from the conference. In order to maintain their control of political affairs in Japan and prevent the liberal civilian elements from interfering with the military program the Japanese warlords are using the "Crisis of 1935-1936" as a rallying point somewhat as they have used the Manchurian issue since 1931. Gen Hayashi, the present War Minister, in an address before the Conference of Army Division Commanders in Tokyo on March 29 declared, "Although there has been a vigorous growth of racial awakening and national unity since the outbreak of the Manchurian affair, they need further fostering. . . . The course which the Army should follow in such difficult circumstances is to cultivate the martial spirit further, and enforce military discripline strictly, so that all officers and men may assume an attitude which is beyond reproach. The whole army must be solidly united, like iron, and devote itself to the cause of loyalty."

As Mr. Lippman clearly pointed out in his discussion of the race in armament between Japan and the United States there can be no lasting settlement of the competition in armament without first settling the underlying causes of the competition and since the Japanese-American race in warship construction resulted from Japan's invasion of Manchuria and violation of the Nine-Power Treaty and the Anti-War Pact, it obviously will be necessary to go back to these issues before attempting to adjust the arms problem. From this standpoint the situation is greatly similar to that which prevailed prior to the Washington Arms Conference in 1921-1922, when Japan was in military possession of Shantung province. It was necessary to settle the Shantung issue before an agreement could be reached on arms limitation. Japan's agreement to withdraw from Shantung and return the former German interests in that province to China, as she had promised, plus her agreement to the Nine-Power Treaty confirming the Open Door and other matters pertaining to China, paved the way for the agreement on arms limitation. As it was impossible to reach an agreement on arms limitation in 1922 without first, or simultaneously, settling the underlying international problems, so today it is equally impossible to again adjust the arms issue without going into the Manchurian problem and elements concerned with Japan's violation of the treaties which her delegates signed in apparent good faith and without compulsion. That the Japanese political leaders realize the facts in this situation is proved by their present diplomatic maneuvers to get back on good terms with other nations which have expressed their disapproval of Japan's actions since 1931. But instead of approaching the problem in straightforward manner, the Japanese political leaders, because of pressure by their militarists, are using the methods of circuitous diplomacy. In effect they are saying: "Let bygones be bygones and let's make a fresh start on the basis of the existing situation," which is comparable to the action of a gangster, who, after amassing great wealth by illegal means, attempts to rehabilitate himself as a law-abiding member of the community.

In the consummation of her plans, Japan is following two more less distinct methods of diplomacy. The Japanese leaders are now trying to convince the United States and the other nations of their peaceful inclinations and even are trying to induce the United States to enter into a non-aggression treaty as a preliminary to the Naval Disarmament Conference scheduled to convene in Washington in 1935. In short, they are trying to clear the international atmosphere of the suspicions which exist with respect to Japan's aggressive actions in Asia. On the other hand the Japanese are working, equally strenuously, to force China to agree to what Japan has done in Manchuria, in other words, compel the Chinese to recognize officially the existence of the illegal puppet state which Japan has set up in China's northeastern provinces. Should China's leaders succumb to present Japanese pressure and extend recognition to the fruits of Japanese aggression, otherwise Manchukuo, Japan's victory would be almost complete for she could then inform the other powers that Japan was right and the rest of the world, including China, had been wrong on the whole Far Eastern issue. Then, with the men and resources of Asia at her disposal Japan could go to the Disarmament Conference and demand parity with both America and Great Britain, and she might achieve their ambitious program. But while the officials of the U. S. State Department have reciprocated Japan's expressions of friendship and have offered to discuss in friendly spirit, any outstanding differences between the two countries, the present administration in Washington undoubtedly is aware of the fundamental issues and has no intention of compromising on them. This was indicated in a *United Press* dispatch from Tokyo on April 10 stating that Washington had suggested that instead of a bilateral Japanese-American non-aggression pact, Washington would prefer a multilateral non-aggression pact envisaging Japan, the United States, Soviet Russia and China. The *United Press* message stated further that the Roosevelt Administration was somewhat uncertain as to what action Japan might take in the Far East should the two countries form a separate agreement.

For Several days the local foreign and Chinese newspapers have been filled with reports from north China regarding the critical situation in that area due to the fear of further Japanese aggression. This feeling of apprehension on the part of the people of north China has been caused by Japanese military activities along the wall and in eastern Chahar, plus the presence of large groups of Japanese military officers and spies in the Peiping-Tientsin area. Also there has been unusual Japanese airplane activity with flights over eastern Chahar and the demilitarized zone between Peiping-Tientsin and the Great Wall. All of these Japanese activities designed for the purpose of terrorizing the native population

have synchronized with the trip of Gen. Huang Fu, head of the Peiping Political Committee to the Yangtsze valley for the purpose of trying to induce the officials of the National Government to take further steps in the direction of recognizing Manchukuo, particularly with respect to the resumption of direct railway and postal communication and the demarcation of a boundary between north China and the puppet state. Also the Japanese are trying to force the removal of Gen. Yu Hsueh-chung as chairman of the Hopei provincial government stationed at Tientsin. The Japanese do not like Gen. Yu because of his independent attitude in handling Japanese questions, hence they are trying to force him out in favor of someone who would be more amenable to their wishes. Reports through *Reuters* service on April 10 stated there was a possibility that Gen. Yu might be replaced by Gen. Chang Chun, chairman of Hupeh who is regarded as more friendly toward the Japanese militarists. That the Japanese are trying to force Gen. Yu out of Tientsin has been known for a long time, but the matter did not become an open issue until Huang Fu visited Marshal Chang Hsueh-liang at Hankow last week for the purpose of discussing the question. Gen. Yu Hsueh-chung is a subordinate of Marshal Chang's, hence Huang Fu's visit to Hankow was for the purpose of informing the former Manchurian ruler regarding Japan's wishes.

But while the Japanese are trying to bring about a complete resumption of relations between north China and Manchukuo, they have presented their demands in sugar-coated form, the object being to bring all north China definitely within the sphere of Japanese economic and financial as well as military influence. The *Japan Chronicle* (Kobe) on March 8 published a report stating that the Japanese, under instructions of the Foreign Office, had formed a so-called "North China Association" with offices at Marunouchi, Tokyo, the organization being headed by Kenkichi Yoshizawa, former Japanese Minister of Foreign Affairs and diplomat of extensive experience. The Japanese North China Association has a six-fold program:

1.—To offer its services towards the promotion of Sino-Japanese economic co-operation and technical collaboration in North China.

2.—To study all problems and matters in which such co-operation and collaboration may profitably be achieved.

3.—The results of this study to be recommended to the Government authorities, or put into execution by the Japanese and Chinese concerned.

4.—The Chinese side to be urged to form an association with identical objects.

5.—The Japanese residents in North China to be helped in their efforts to maintain and develop their economic position, in pursuance of the objects of the Association.

6.—The aims and the spirit of the Association to be made known to all circles.

In addition to the foregoing there has been further evidence in the Japanese newspapers regarding Japan's real intentions in the north. On Tuesday, March 20 there was held a secret Sino-Japanese conference in Tientsin which was participated in by Japanese military officers and representatives of Huang Fu's office in Peiping. One of the Chinese delegates was Chu Shih-chin who was quoted in the Japanese newspapers on March 29 to the effect that the conference had discussed the coordination of civil administration in the demilitarized zone; the reorganization of the peace preservation corps, and the replacement of the present police corps with a "specially trained" corps which is now said to be available. Mr. Chu in his statement claimed that the Japanese "had agreed to all the Chinese proposals and the conference had ended on a harmonious note." But another report which appeared in the bulletin issued from the Japanese military headquarters in Tientsin on April 4 was still more illuminating. It listed three outstanding matters which Huang Fu was expected to discuss with Gen. Chiang Kai-shek and other officials of the Nanking Government:

1—Administration and maintenance of peace and order in the so-called demilitarized zone and various other problems regarding economic development projects in north China.

2—Resumption of through railway traffic between Peiping and Mukden, lifting of the postal ban on Manchukuo and opening of customs houses along the Great Wall, otherwise the demarcation of a boundary.

3—Recgnition of Manchukuo.

The Japanese military report containing the foregoing information concluded with a significant statement regarding the Japanese attitude toward Gen. Huang Fu: "Most of the Japanese residents of north China are inclined to believe that so long as Huang Fu is in Peiping as head of the Chinese administration, all will be well and there will be no trouble, at least between the Chinese and Japanese people. They also hope that Nanking will not be tempted by political wire-pullers to interfere regarding China's (Huang Fu's) policy toward Japan."

As to Japan's economic plans in north China, referred to in the foregoing, there was a report from Tsingtao stating that the Japanese had made a proposal for financing the construction of several strategic railways in which the Japanese are particularly interested. These include a westward extension of the Tsingtao-Tsinan line into southern Shansi where important coal mines are located. Another railway extension is a line from Tangku, the port of entrance to Tientsin, to Shihkiachwang in western Hopei which also would provide direct connection with Shansi province. A third railway proposal involved the contruction of a line from Peipiao in southeastern Jehol directly westward across southern Jehol paralleling the Great Wall to Chengteh, capital of Jehol and thence westward across southern Charhar to Kalgan where it would link up with the Peiping-Suyuan line which provides access into Inner-Mongolia, and ultimately into Sinkiang or Chinese Turkestan. The Japanese have a double objective with respect to this line, for when completed, it would bring Inner-Mongolia definitely within the military and economic scope of Manchukuo and also enable the Japanese to send troops into Central Asia adjacent to the border of the Soviet Union.

While the Japanese authorities have been exerting their diplomatic efforts in various quarters to re-establish their international reputation, there has been no let up on the main objective of Japanese policy—the consolidation of Japan's military and economic position in Manchuria. Koki Hirota, Foreign Minister, announced during the recent session of the Diet that Manchurian development must continue to be the chief objective of Japanese policy for it was only in this way that the peace of Asia could be consolidated. In order to accomplish this objective the Japanese have been pouring money into Manchurian projects, most of them coming under the classification of "military necessity" and hence unproductive, at least, for a considerable number of years. This refers especially to some 500 miles of new railways and several thousand miles of new highways which the Japanese have constructed in the undeveloped sections adjacent to the Soviet-Siberian border. At a special meeting of the Cabinet Council on March 30 the Minister of Overseas Affairs, Mr. Nagi, announced a plan for placing all Manchurian communications, munitions factories and basic industries under the administration of the Japanese Government-controlled South Manchuria Railway. He stated that the administration of the railway was to be reorganized with this object in view, but said nothing about the widely discussed plans of the Kwantung Army to take over control of the railway and place it directly under the orders of the military authorities. He also said that the police administration in the railway zone was to be turned over to the Kwantung government which controls the so-called Leased Territory on the southern tip of Fengtien province. A report by the *United Press* on April 2 stated that orders had been issued for speeding up the industrialization of Manchuria, this being necessary apparently because of the feeling in Japanese circles that war with Russia is more or less of a certainly. The *United Press* message quoted Japanese offifficialdom to the effect that "within two years Manchuria will be on an emergency war basis. . . .in accordance with Japan's thesis that Japan is the stabilizing factor in Asia." Reports through the official *Rengo* service from Tokyo on April 5 and 7 stated that Rutaro Nagai, Overseas Minister, had held numerous conferences with the Manchukuo Finance Minister, Gen. Hsi Hsia with the object of further cemeneting the economic relations of Japan and Manchukuo. A further report on the same subject which appeared in the *Japan Chronicle* on April 6 stated that Premier Saito also had discussed the matter of the Japan-Manchukuo "bloc" with Hsi Hsia and that the Manchukuo finance minister "was in substantial agreement with the Japanese plan."

Japanese Premier Stumped in Selecting Education Minister

THE principal problem before the Saito Ministry at present is the finding of an incumbent for the post of Minister of Education. The reason why this position is a difficult one is that archaic ideas permeate the Island Empire on the question of freedom of thought—or rather expressing thoughts. What in most countries would be most harmless teaching is frowned on most decisively by the Powers that Be, and the man who happens to hold the position of Minister of Education at the time some "incident" crops up, is likely to be made the scape goat—and indeed may consider himself lucky if he is not branded as a Communist or possibly imprisoned. The stage was all set at the beginning of the week for Zenbei Horikiri, an influential Seiyukai man and Vice Minister of Finance to take up the post (in succession to Ichiro Hatoyama), but Mr. Horikiri firmly refused to accept the post, and the prestige of the aged Premier Saito has been considerably damaged by the refusal. For the moment the Premier has, perforce, to act as his own Education Minister. Representatives of various women's organizations have asked the Premier to be very careful in selection the next Education Minister. These women stressed that the new Minister must be a fully qualified gentleman in every respect, as his character would naturally be reflected in the younger generation.

The leaders of the two principal political parties in Japan, the Seiyukai and the Minseito up to the very end of the Diet session, continued their usual policy of trying to inveigle the other into some scheme which would damage it in the eye of the electorate. The Seiyukai about March 20 tried to inveigle the Minseito into joining in a resolution on national policy, the "bite" in it being a clause that "the Government had produced no pertinent measures to meet the situation except in regard to the strengthening of national defence," etc. The Minseito, however, refused to nibble and the matter was dropped—and in the meantime the Diet has adjourned with the Saito Government still fairly firmly in the saddle.

A meeting of the Cabinet Council was held in the official residence of the Premier April 10 and views were exchanged among Cabinet Ministers in connection with Japan's internal administrative policies. Among the policies discussed at the conference, were the following: Improvement of taxation system; improvement of education and establishment of a policy to cope with "dangerous thoughts"; and establishment of an agricultural policy.

Premier Saito April 5 reported on the result of an interview he had with Prince Saionji, the "only Genro" at the latter's villa in Okitsu. He expressed the view that Japan should be well prepared to meet the situation following the materialisation of the withdrawal from the League of Nations and that she should study carefully her policy in connection with the forthcoming Washington Conference.

The adoption of a stronger Government policy in view of the present international situation was advocated by the Premier, at the Cabinet meeting in Tokyo, April 4. During the course of his address, Premier Saito, declared that, since the Cabinet has decided to remain in power, it is necessary to entrench its position immediately after the projected reorganization of one or two ministries takes place. All members of the Government are understood to have agreed that a firmer attitude must be adopted. Political observers believe that Viscount Saito will shortly invite K. Suzuki, president of the Seiyukai Party, and Baron R. Wakatsuki, president of the Minseito Party, to accept portfolios in the Cabinet as a means of strengthening its position during the so-called energency period of 1935-36.

Brute Force Versus "Dangerous Thoughts"

In the Japanese House of Peers, March 17, Dr. Koyama, Minister of Justice, explained the Peace Preservation Revision Bill, which had been sent up from the Lower House, adding that the Government has no objection to the amendment made by the other House to the Bill. Viscount Kiko Okochi, Kenkyukai member, interpellating, said that he feared that the Government has no clear conception of the currents of thought. The ideas destructive of the national policy are now markedly on the wane, but Rightist ideas,

which, while recognising the national polity, support direct action and dictatorship and hold in scant regard parliamentary politics and the private ownership system are gaining ground. The radical actions of these Rightists lead to the same results at the radical Leftist activity, he said. The interpellator suggested that the Government should gain a better understanding of the trends of thought and devise appropriate measures to deal effectually with all undesirable ideas. Dr. Koyama, replied that those who, while nominally avowing nationalism, attempt an alteration of the national policy can be punished under Article 8 of the Bill.

Tsurukichi Maruyama of the Doseikai said that nothing is more dangerous than the idea of recognising brute force. If violence is to be recognized the State will be reduced to anarchy. Organizations of men, who neither attempt to alter the national polity nor negative the private ownership system but attempt to reform society by brute force, cannot be adequately controlled by the ordinary laws and regulations, the interpellator declared, and he asked why a Bill providing for the control has not been introduced by the Government, together with the present Bill.

The Minister of Justice replied that the point raised by the interpellator had been studied by the Government, but that in the belief that the ideas which recognise brute force can be controlled by the general and special laws in force, no legislation has been drafted for their control.

Japanese Official Price of Gold

The Ministry of Finance April 6 officially announced that the future official price of gold would be Yen 11.00 per momme, (0.1325 ounces.)

Japan's foreign trade during March, was as follows: Export, Yen 175,826,000; Import, Yen 206,833,000; Total, Yen 382,659,000.

Japan-America Trade Committee to Be Organized in Tokyo

The organization of the unofficial Japan-America Trade Committee in Tokyo with leading Japanese businessmen and resident Americans as members, similar in nature to the one recently established in New York, was decided upon at the standing committee meeting of the Japan Economic League April 5.

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Prominent British Labor Leader Visits Japan

Captain Wedgwood Benn, prominent British labor man, and Mrs. Benn, arrived in Japan last week *via* the United States. He will later come to China, returning to England via Russia.

Fernand Maurette, Assistant Director of the International Labor Office of the League of Nations, arrived in Tokyo April 4 from China en route for America. He exchanged views with representatives of various industrial and labor organisations in Tokyo.

Sultan Ibrahim, the Sultan of the Unfederated States, who is in Tokyo on a visit, was received in audience by the Emperor in the Phoenix Hall April 4.

Prince Konoye, Speaker of the House of Peers, is engaging a few interviews with important government officials, including Foreign Minister Hirota and Admiral Osumi, Minister of Navy, in preparation for his departure for the United States next month.

A club aiming at the promotion of closer relations between the United States is to be organized shortly by the members of the Japanese Diet who had lived in the United States.

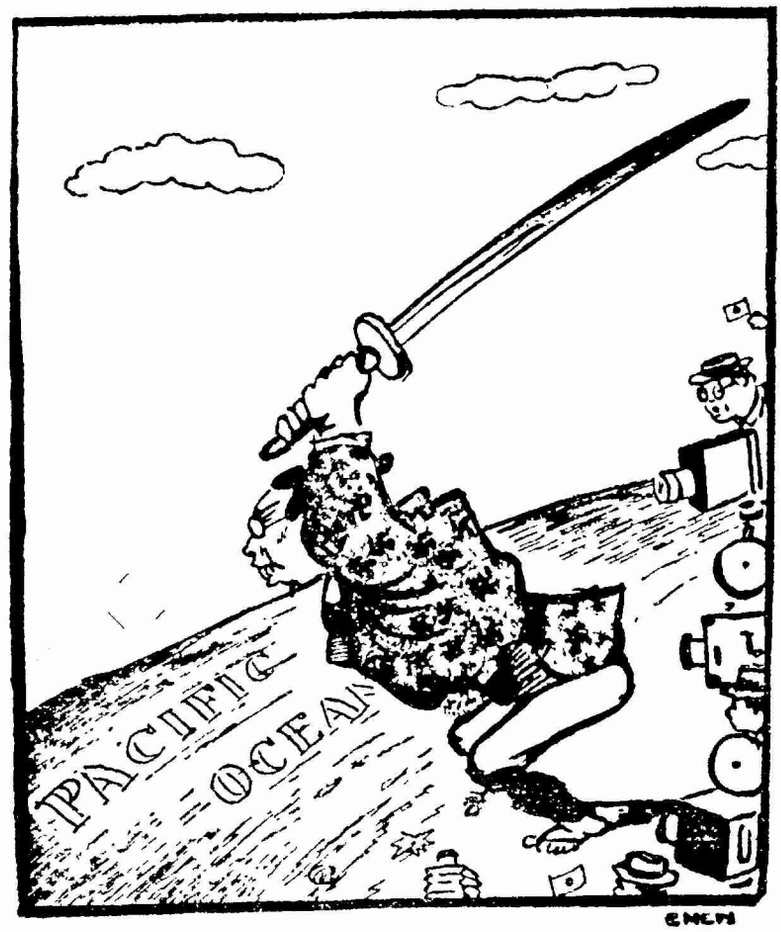
Kujuyata Kimura, Chief Councillor of the Mitsubishi Concern, one of the largest and most influential business firms in Japan, is expected to resign shortly.

Japan Has a Difficult Rice Problem

In the special committee of the House of Representatives (Tokyo March 19) on the Bill for the temporary regulation of the importation of rice, Mr. Goto, Minister of Agriculture and Foresty, in reply to a Miniseito member who had expressed the view that if rice production is to be controlled next year, it is absolutely necessary for an extraordinary session of the Diet to be convened, stated that the present Bill is adequate as a transitional measure, and that for the moment the Government has no intention of calling an extraordinary session. No matter what schemes may be evolved for the control of production, it would be absolutely impossible for them to reap actual result next year. It, therefore, follows, the Minister of Agriculture and Forestry declared, that the convocation is meaningless.

Mr. Hasumi, director of the Rice Board, in reply to an interpellation by Mr. Takada (Minseito), previously had announced that the Yen 700,000,000 fund for the control of rice will leave a balance of only Yen 92,000,000 or Yen 93,000,000 at the end of the current grain year, i.e. November. An increase in the fund to something like Yen 300,000,000 as proposed by the Government, was imperative, he said.

Dividing the Ocean



The above cartoon, apparently by a Chinese artist named Chen, appeared in the Moscow *Daily News* on March 4. It depicts a Japanese naval officer in the act of "dividing" the Pacific Ocean.

Mr. Goto, Minister of Agriculture and Forestry, made a statement March 19 that up to the between-season last year, the loss of the rice special account had been about Yen 200,000,000, That the price of rice has not witnessed a disastrous decline in spite of the bumper harvest is ascribable to the operation of the Rice Control Law, though with the above loss to the national treasury, he said. Baron Sakatani expressed regret that the Government has no sound financial program.

Finance Minister Congratulated on Increase of Revenue

Contrary to the general expectations, the government financing for the fiscal year 1933-34 ending March 31 last has brought about a natural increase of revenue to the amount of approximately Yen 100,000,000. Finance Minister Takahashi is being congratulated on the result.

War Depattment to Study Policy

According to the *Asahi*, General Hayashi, Minister for War, intends to create an organ of inquiry into national policy in the War Department soon after the close of the present session of the Diet and submit the results of this inquiry to the Government for consideration in shaping the policy of the Government.

About Yen 120,000,000 worth of munitions orders will be placed by the War Department with private parties in the new fiscal year.

Japanese War Minister Hayashi Resigns

Gen. Hayashi, Japanese Minister of War, resigned at April 11. It is understood that decision to resign was reached by Gen. Hayashi following the conviction of his brother, Yukichi Shirakami, in the Tokyo District Court on the same day on charges of graft while Deputy Mayor of Tokyo. Owing to the apparent personal nature of the motives inspiring the War Minister's step, it is not expected that his resignation will have any serious political repercussions. Political observers believed that the Emperor would refuse to accept the resignation and that Gen. Hayashi would then regard it as his duty to continue at his post.

Japanese Continue Pressure on North China

While various rumors were freely circulated concerning the attitude of the Japanese military authorities in North China, simultaneously with the departure of General Huang Fu, Chairman of the Peiping Political Council, for the south, Lieut.-Col. Shibayama, Japanese Military Attache in Peiping, issued a long statement in Peiping April 9 in the course of which he said Japan has been patiently lenient to the Chinese non-observance of her various promises, in sympathy with the somewhat difficult situation confronting the Chinese side, adding, incidentally, that there is a limit even to the Japanese complaisance. Returning to the questions of the through railway traffic and the postal communications, he expressed regret that they had not materialised, seeing that they would be to the great advantage of the Chinese people in general in North China. The statement urged serious reconsideration on the part of the Chinese authorities, and hinted that by recognizing Manchukuo China would contribute to straightening out pending difficult problems. Colonel Shibayama, departed from Peiping April 8 for Shansi ostensibly on a pleasure trip. The Chinese press, however, credit him with making the trip with the intention of inspecting the light railway line from Tatung to Puchow.

According to the *Peking Chronicle* April 8, over 100 Japanese military officers arrived in Peiping during the past week. They were sent by the Tokyo general staff ofr the purpose of "getting acquainted" with the principal strategic cities in North China. After conferring with the Japanese military authorities there, said officers left for Chahar, Suiyuan, Shansi and Southern Chihli. In addition, it is reported that the South Manchuria Railway Company has despatched agents to study economic conditions in North China. These agents are said to be giving special attention to the Suiyuan-Peking railway, Tatung, which is the "north gate to Shansi," and Tsingtao, "in order to strengthen the Japanese influence in North China."

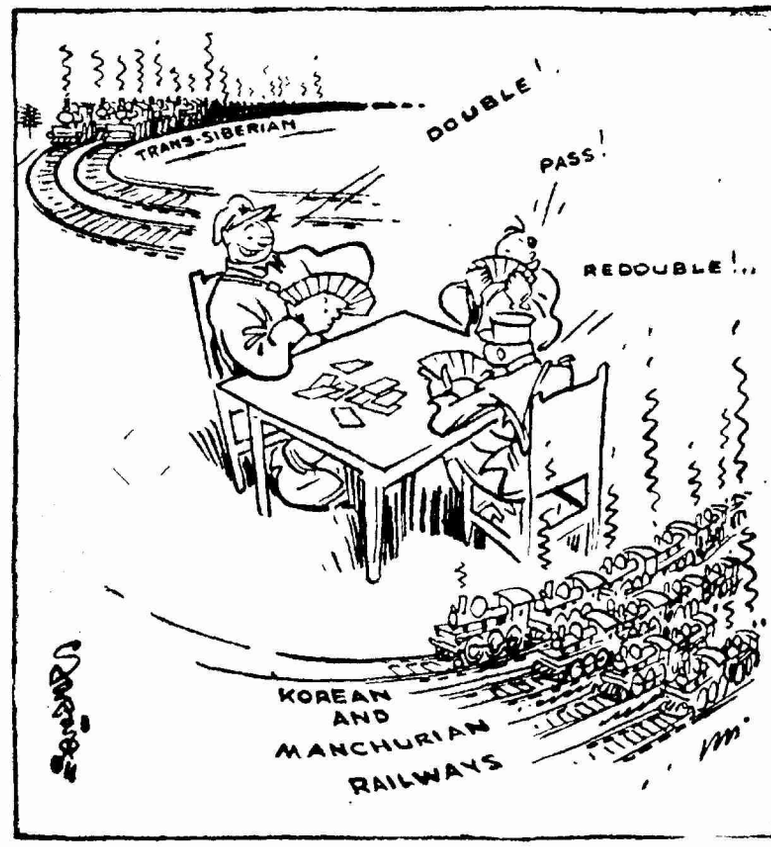
Meanwhile the Japanese are reported by the Chinese press to have asked for permission to hold maneuvers in the demilitarised zone, with troops from the Tientsin garrison participating. Nearly 30 Japanese airplanes are stated to have arrived at Malanyu, about 100 miles nortth-east of Peking inside the Great Wall, where the Japanese are reported to be building an air-field and declining to return the pass in the Great Wall near the Manchu Imperial tombs until General Huang Fu returns to the north.

Japanese reinforcements are reported to have arrived at Heitayingtze, Chingfengto and Hsifengchai, eastern Chahar. Seven Japanese airplanes are now stationed at Heitayingtze; these have been daily reconnoitering over Chihcheng and the 2nd and 4th areas of Kuyuan.

The Chinese newspapers in Peiping express the belief that Japanese demonstrations will continue in the North until General Huang Fu has succeeded in clarifying his position with Nanking which is opposing the Japanese demands without offering a definite policy for the North. The Chinese newspapers report that the Japanese troops at Chahar and Kupeikow have been heavily reinforced, but cautious Chinese observers believe that the Japanese will refrain from military action owing to their desire to consolidate their defensive lines in Manchukuo, Chahar and near the Great Wall against the Russians. These observers believe that Japan's chief aim is the South Great Wall and for the moment, economic penetration in North China, for which the resumption of through rail services and postal facilities is essential.

A Kalgan message reports that the bandits under Cheng Kuei-lin (formerly of the North-eastern volunteers) have surrendered to the Manchukuo government and are now stationed in the vicinity of Tolun (Dolon Nor), eastern Chahar.

FAR EASTERN RAILWAY BRIDGE



—By Sapojou in the North-China Daily News

Japanese Troops to Re-Enter Demilitarized Zone

The Hopei Provincial Government received reports beginning of the week from the magistrates of Fengjun and Tsunghua that the Japanese military authorities are about to send troops to these two districts under the pretext of suppressing bandits.

A Japanese investigation commission has arrived in Inner Mongolia, and is paying special attention to investigation work on the border districts between Inner and Outer Mongolia.

A group of Japanese army officers under the disguise of Japanese Legation guards accompanied by a squad of soldiers, latter part of last week visited Tungchow, Sanho, Pingkuo and other places east of Peiping, reconnoitering and photographing strategic points.

Two airplanes and 40 motor trucks have arrived at Malangyu to reinforce the Japanese and "Manchukuo" troops.

A spokesman of the Ministry of Foreign Affairs at Nanking recently declared that the present Japanese military movements in Eastern Chahar and in North China generally are apparently designed to be a demonstration to China with a view to forcing her to open direct negotiations with Japan for the settlement of the outstanding Sino-Japanese issues.

An aerial demonstration was staged by a fleet of 29 Japanese planes along the Great Wall April 6.

A huge consignment of Japanese military supplies is stated to have has arrived at Tsenghua inside the Great Wall in the

demilitarised zone, and Japanese "Ronins" are stated to be extremely active at Malanko.

The Japanese commander at Tientsin has notified the Chinese authorities that the Japanese troops at Tientsin will shortly hold further maneuvers on a large scale.

Large concentrations of Japanese troops are taking place in eastern Jehol. The Japanese are making house searches for arms and ammunition. It is said that more than 300,000 rifles, old fashioned and new, have been seized from the people in Jehol and Fengtien.

To counteract the activities of traitors, the Northern authorities are rigidly enforcing the Emergency Law against the State. Chinese traitors caught in serious crimes, will, upon arrest, be executed on the spot, according to *Kuo Min*.

The Bureau of Public Safety at Tientsin on April 7 arrested four men who were recruiting Chinese laborers for transport to Manchuria.

Pu Yi Not Visiting Mausoleum

Yin Ju-keng, a member of the Chinese Retrocession Commission, declared in Peiping April 6 that there was no truth in the report of a visit to be paid by Henry Pu Yi to the Manchu Mausoleum at Malangyu. He declared that the Manchukuo authorities had not even contemplated the visit. Mr. Yin also denied that the presence of Japanese and Manchukuo troops at Malangyu was for the protection of Pu Yi and the Manchu Mausoleum.

In connection with the recent report that Pu Yi, the puppet Emperor of Manchukuo, is planning to offer his respects before his ancestral tombs at Malangyu and that the Japanese authorities are asking the Chinese authorities at Peiping to provide necessary protection to the Manchukuo executive, a spokesman of the Government declared in Nanking April 5 (according to the *Sin Wen Pao*) that such request could never be entertained by the Chinese Government.

Ambassador General Hishikari presented his credentials to the Emperor of Manchukuo at Changchun April 11.

Japanese Foreign Minister Hirota is planning an official visit to Manchukuo. It is reliably reported that Mr. Hirota will make his trip to Changchun, the Manchukuo capital, either during this summer or autumn, and will be received by Emperor Kang Teh, to whom he will offer congratulations in connection with the establishment of the Empire.

Twenty-six young officers of the Manchukuo army left Changchun for Japan last week to study Japan's military system. They have in the meantime arrived in Japan. They will attend the Imperial military review to be held in Tokyo on the Japanese Emperor's birthday, April 29.

A 100 kilowatt radio broadcasting station is being built in Changchun. When completed it will be the most powerful station in the Far East.

S. M. R. to Spend $76,000,000 on new Lines for Manchukuo

The Department of Overseas Affairs has approved the 1934-5 budget of the South Manchuria Railway Company. The new budget involves working exuenditure amounting to Yen 69,550,000. Further the S.M.R. Company is to be spend Yen 76,000,000 on the construction of railways for the Manchukuo Government.

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C.E.R. Makes Profit Despite Difficulties

The report of the C.E.R. for 1933 says operations were extremely unfavorably influenced by events of a military nature, bandit raids, the continuing economic crisis, and the consequences of the 1932 flood, also the unwholesome competition of neighboring Government railways and waterways, accompanied by administrative measures of a non-economic nature. Manager Rudy cites eleven international train wrecks, 38 armed raids on trains, 39 attempts to wreck trains, 19 cases of arson, 197 assaults on Railway employees and cases of robbery, 60 murders of employees, 99 employees wounded, and 400 persons kidnapped. The income was 35,873,000 gold roubles, and expenditure 23,733,000 gold roubles.

A sensation was created in Harbin April 10 when several officials, Chinese and Russian, of the Chinese Eastern Railway were arrested on the alleged charge of having secretly sent goods to Soviet Russia.

Koki Hirota, Japanese Foreign Minister, in the role of mediator, has invited the Sovet and Manchukuo delegates to the C. E. R. negotiations to a luncheon party in the official residence of the Foreign Minister in Tokyo April 4.

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Soviets and Baltic States Extend Non-Aggression Pacts

Protocols covering the extension until the end of 1945 of the term of pacts for non-aggression, and peaceful settlement of conflicts, between the Soviet Union and Esthonia, the Soviet Union and Latvia, and the Soviet Union and Lithuania, were signed in Moscow April 4.

Soviets Push Siberian Railway Construction

The double-tracking of the Trans-Siberian Railway is now complete; with the exception of a few breaks owing to bridges and tunnels, being incompleted, double tracking of the Trans-Siberian railway is now an accomplished fact. The double-tracking of the Amur and Ussuri lines to Vladivostok is meanwhile being actively prosecuted.

The London correspondent of the *North China Daily News* says the policy of the Soviet Government in the past two years has been specially directed towards making the Far Eastern Army, commanded by Gen. Bluecher, otherwise Galens, self-supporting. This accounts for the intensive colonization of the Far Eastern territories, the residents of which, since January, have been granted numerous privileges, including exemption from certain taxation and higher prices for Government purchases of their products. Meanwhile, a new coal-field, said to be extraordinarily rich, has been opened in the Baikal region.

Japanese reports say that six 6,000 ton class steamess (three of them are alleged to have been chartered from Great Britain and two from Greece—the remaining one under the Soviet flag) are leaving Odessa for Vladivostock, fully laden with military requisites, including rails, irons, cement etc. Besides the above mentioned steamers it is reported that there are several freighters under foreign flags waiting in the Black Sea for the transportation of military goods.

Two U. S. Warships to Visit Leningrad Next Month

Two warships of the United States Navy are to visit Leningrad next month—the first call in Russia by American warships since the Soviet Revolution.

Britain Acknowledges Treaties with China Are Out of Date

Sir John Simon, British Foreign Secretary, in the House of Commons Mar. 22, referring to China's note requesting revision of the Tientsin Treaty and the Commercial Treaty, stated that these referred to the Treaty of Tientsin of 1858 and the Commercial Treaty of 1902. The treaties, contained important provisions which were out of date, and, in order to secure conformity with actual conditions, new and equal reciprocal treaties should be concluded. Later reports from London stated that Sir Alexander Cadogan, British Minister to China, would ask the Chinese Government to define more precisely its requirements regarding revision.

Thomas C. Britton Commits Suicide

Thomas C. Britton, formerly president of the Asia Realty Company, committed suicide in his home at 100 Amherst Road, Shanghai, by shooting himself in the mouth with a 45 caliber revolver in the evening of April 8. Mr. Britton, who was an American citizen, was born at Soochow 41 years ago, where his parents were stationed as Baptist Missionaries, but are now living in Avenue Haig. The late Mr. Britton was educated at Wake Forest College in North Carolina. He returned to Shanghai in 1915 and taught for a year in the Shanghai Baptist College. In 1916 he joined the China Realty Company, since which time he has been an associate of F. J. Raven, in the Raven Trust Company and in the Asia Realty Company. Britton retired from the presidency of the Asia Realty Company on January 1 last. Mr. Britton was married in Kentucky in 1920 to Miss Ruth Yeager, a native of that state. He is survived by his wife, his parents and his sons, Thomas, aged 14, and Burnett, aged 11. Mr. Britton was a prominent Mason, and was a member of the American Club, the Columbia Country Club, the Cercle Sportif Francais, and was past-president of the American Chamber of Commerce and of the Rotary Club. He withdrew from the Rotary Club a few months preceding his death. He was a fluent speaker of Chinese. The funeral was held April 10 at Bubbling Well Chapel.

Soviets Preparing World Atlas

Work is proceeding on a great world atlas being compiled by Soviet geographers, cartographers, etc. The atlas will have three sections. That devoted to general world maps will include physical-geographical, geological, astronomical, climatic, botanical-geographical, and other maps. The second section will consist of maps of the Soviet Union and its various areas. The third section will show maps of other countries of the world. In the preparation of the maps special attention is given to the characteristics of the political and economic relations between countries. Maps of China and India are an important part of the atlas.

Sino-Turkish Treaty Signed at Angora

According to an official announcement of the Ministry of Foreign Affairs, a Sino-Turkish Treaty of Amity was signed at Angora on April 4 by Dr. Victor Hoo, Minister to Switzerland, on behalf of the Chinese Government, and Tewfik Rustu, Turksh Minister of Foreign Affairs, on behalf of the Turkish Government.

Government Leaders Confer at Nanchang on North China Situation---British Intrigue in Sinkiang

Highlights in the events of the Week:

1. *Nanchang Conference discussing North China Situation.*
2. *British national to become King of Sinkiang.*
3. *Tibetan Authorities deny asking return of Panchen Lama.*
4. *Nanking Armies making progress in Bandit-suppression.*
5. *Canton turns down Nanking Proposal for abolition of two organs.*
6. *Liu Kwei-tang rebels still at large.*

AN important conference to discuss the Sino-Japanese issues in North China was held at Nanchang this week. The conference was participated in by the principal Government leaders in both Nanking and Peiping. Gen. Huang Fu, Chairman of the Peiping Political Council, arrived at Nanchang from Peiping April 6, while President Wang Ching-wei of the Executive Yuan and Minsiters H. H. Kung and Ku Meng-yu reached there by gunboat on April 11 from Nanking. It is said that owing to the strong pressure brought to bear on him by the Japanese military in North China, Gen. Huang may resign from his post. Reports from Peiping indicate that the situation is growing very serious, as Japan is coercing China to open direct negotiations with her for the settlement of the outstanding Sino-Japanese issues, especially the matter of restoration of through railway traffic between Mukden and Peiping and of postal communications. A grave crisis is said impending in North China, unless China comes to terms with the Japanese in time. Chang Chi, member of the Central Supervisory Committee, interviewed on the situation in the North, said at Nanking on April 3 that Peiping today is like Mukden on the eve of the outbreak of Sept. 18, 1931. Not only is the fall of Chahar and Suiyuan imminent, but Hopei province is also in a most hazardous position. "If we do not wake up to the realities of the situation immediately," Mr. Chang said, "The nation may soon perish."

Government Troops Recover Nearly All "Red" Districts in Kiangsi

Only six out of 60 districts in Kiangsi are still remaining under Communist control, according to latest investigations made by the Generalissimo's Headquarters at Nanchang April 4. When the "Red" influence was at its height in Kiangsi two year ago, more than 60 *hsiens* were held by the Communists and the only city in southern Kiangsi which was never occupied is Nanchang, the provincial capital. Last year more than 30 districts were recovered and early this year, 17 additional districts recaptured by the Government Forces. The districts which are still under Communist control are Kwangchang, Juichin, Shihchen, Ningtu and Hueichang.

Gen. Chiang Ka-ishek has issued a circular order to the provinces instructing that in future no person is allowed to pay ransom for captives seized by Communists. In such cases, families of the victims should report the same to the local authorities. The order also declares that those who privately pay ransom to the Communists in forms of salt, food and other daily necessities shall be executed without mercy.

According to a bulletin issued by Nanchang Headquarters on April 7, after concentrating at Kwangchang, south-eastern Kiangsi, the 1st division of the 3rd "Red" army corps and the 13th "Red" division of the 5th "Red" army corps fled eastwards to Fukien on March 22, but were checked by the 4th and 89 Government Divisions in Taining and Sinchiao, along the Fukien-Kiangsi border. With the arrvial of the 79th Division, the marauders were routed and forced to retreat towards Tatien. A total of 1,000 bandits, officers and soldiers was killed, while 200 others were captured and 200 rifles and six machine-guns seized.

The 5th "Red" army corps is hiding at Chiuchiavai and Chienkung Shan (mountain) along the border while the main forces of the 9th "Red" army corps are massing at Kwangchang. In north-eastern Kiangsi, the 10th "Red" army corps under Fang Chih-min is roving near Chaotang and Huangtengchiao near Hengfeng. The 16th "Red" division has fled towards Pingkiang, Liuyang and Tungku. The 17th and 18th "Red" divisions, after sustaining severe casualties, have fled to Hwaki, north-west of Yungsin, western Kiangsi.

The bandit lair at Chaohsi, 25 miles south of Lo-an, gateway to the "Red" stronghold of Ningtu in central Kiangsi, was recovered by the Government troops on April 5.

Taking advantage of a heavy rain storm in southern Kiangsi during the last few days, the Communists at Chumengling have started a counter-attack on the Cantonese forces in southern Kiangsi, according to a Canton telegram April 7. After 24 hours of heavy fighting, the Communists were repulsed lossing 300 men, while the Cantonese also suffered considerable casualty. However, as a result of the battle, the Cantonese forces have succeeded in linking up with the Fukien forces.

General Yu Han-mou, Field-commander of the 1st Column of the Southern Route Bandit-suppression Forces, conferred on April 3 with General Li Yang-ching, Field-Commander of the 2nd Column, concerning the launching of a joint offensive on the "Reds" at Chunmenling and Yutu, "Red" strongholds in southern Kiangsi.

The same telegram reports that a women holding the rank of captain in the Red armies was captured during a severe encounter between troops belonging to the 1st (Southern) Division and several hundred Communists in the Sengtin district, East Kiangsi.

Severe Fighting in Progress Between Fukien Troops and Communists

Western Fukien was the scene of severe fighting during the last three days since April 6. Descending rapidly from Sinchiao and Chiuchiapai along the Fukien-Kiangsi border, the Government units attached to the Eastern Route Bandit-suppression Forces engaged the 3rd and 5th "Red" army corps at Kienning, western Fukien. The assaults of the Government troops so shook the defence lines of the "Reds," that the latter finally fled towards the Kiangsi border.

General Chiang Ting-wen, Commander-in-Chief of the Eastern Route Forces, is making military preparations at Lungyen, south-western Fukien, for a large-scale attack on the bandits in Liencheng and Changting, "Red" nests in western Fukien.

The 3rd Government Division has reached Sinchuan, 20 miles south of Liencheng. The Government units are engaged in the construction of a highway between Sinchuan and Siaochin near Lungyen, in order to facilitate the military operations.

Following the occupation of Kweihwa, western Fukien, the 10th Government Division has been ordered by General Chiang Ting-wen to advance towards Ningyang in search of the remnant outlaws under Li Ping-hui.

The "Reds" under Lo Lung are now fleeing further westwards to Liencheng. 1,000 "Reds" tried to besiege Kutien recently but were repulsed by the 3rd Government Division at Tachih near Lungyen.

Under strict orders of General Chiang Kai-shek, the Fukien troops have started a general offensive against the Reds at Liencheng. Liencheng is the only city in western Fukien which is still being held by the Communists. It is believed that unless that city is captured, it will be impossible for the Government forces to attack Changting, the Red lair on the Fukien-Kiangsi border. Fighting is also in progress at Taining. Two Government divisions are operating against the Reds there.

The lightning advance made by the 4th Column of the Eastern Route Bandit-suppression Forces towards Liencheng and Changting has created a panic among the "Reds." The bandits there are reported to be facing a shortage of salt and foodstuffs.

The various divisions attached to the Eastern Route Bandit-suppression forces for the provinces of Kiangsi, Kwangtung, Fukien, Hunan and Hupeh are now launching joint attacks on the "Reds" at Liencheng, which must be captured before the 10th inst. Severe fighting between the Government troops and the "Reds" is in progress at Pengkow, 15 miles south-west of Liencheng.

Fukien Finances in Bad Condition

The Fukien Provincial Government has decided to retrench expenses in view of the depleted Provincial Treasury. To alleviate the sufferings of the people, the farm taxes in the bandit-devastated districts of the province will be considerably reduced and in some cases totally abolished.

With regard to highway construction, the Provincial Government is seeking a subsidy of $300,000 from Gen. Chiang Kai-shek for the completion of the Yenping-Pucheng Highway.

According to a *Shun Pao* correspondence from Fooochow April 2, following the recent uprising of the 19th Route Army against Central Government, Fukien has been in the grip of an unprecedented financial crisis. During the last three months, no less than 130 shops have suspended business in Foochow alone. Most of them were money exchange, piece goods, and fruit shops. In addition to these, many pawn shops closed, which affected the local population the most. It is said that after the Chinese New Year about 600 workers in different pawn shops in Foochow were thrown out of work. Both the Fukien Provincial Government and the merchants are devising measures to relieve the financial crisis.

A Hangchow message states that the Chekiang Provincial forces are staging an enveloping movement on the Communists along the Chekiang-Kiangsu-Anhwei border. The various units have been placed under the direction of General Chao Kuan-tao, Commander of the 8th Army. A sum of $40,000 has been appropriated by the Chekiang Provincial Government for the erection of block-houses and other fortifications along the Chekiang border.

General Yu Chi-shih, Director of the Chekiang Provincial Peace Preservation Bureau, left Hangchow April 6 for eastern Kiangsi to personally direct the operations against the Reds along the Chekiang-Fukien-Kiangsi-Anhwei border.

Northeastern Troops Transferred to Hupeh

The transfer of Mukden troops to Hupeh is expected to be completed before April 15, according to a report from Hankow. Gen. Ho Chu-kuo, whose 57th Army is being sent Southward, is now inspecting conditions in eastern Hupeh prior to transferring them to that region, where they will be stationed in future.

Staff officers of the 57th and 67th Armies, who came to Hankow as summoned by Marshal Chang Hsueh-liang, have also been despatched to eastern Hupeh to inspect the recovered areas.

The Government's 33rd Division under Lieut.-General Feng Hsing-hsien has scored a victory over the "Reds" in southern Hupeh and seized a number of important documents of the bandits.

Marshal Chang will shortly visit Chengchow in Honan by aeroplane to confer with General Liu Chih regarding the bandit situation in western Honna. Marshal Chang has removed his Headquarters to Wuchang and will soon establish an office at Hsinyangchow, southern Honan to facilitate direction of affairs in Honan.

In view of the increasing activity of the bandits at Nanyang and Sinyeh, south-western Honan, the 40th Army has been ordered by Gen. Liu to proceed there to suppres the outlaws.

Communists in Hunan Reduced to 1,200 Men

General Ho Chien, Commander-in-Chief of the Western Route Bandit-suppression Forces, declared that the "Reds" under Hsiao Ko have been reduced to 1,200 men. Two Red regimental commanders have been killed in action, and two others made captives during several engagements early in April. The remnant outlaws have joined those under Tsai Hui-wen north of Yungsin, western Kiangsi. The "Reds" under Kao Yung-sheng are hiding at Huangchintung, east of Pingkiang in north-eastern Hunan. They are being suppressed by the 2nd Column of Hunan forces.

The "Reds" under Ho Lung were badly beaten recently by the newly organized 34th Division at Kiangya when they attempted to invade Tseli, and were forced to retreat south-westwards to Yungshun, north-western Hunan, according to a Changsha military report April 5.

Szechuan Armies Launching Offensive on "Reds"

A general offensive was launched April 3 by the Government 5th Route Army on the "Reds" under Hsu Hsiang-chen at Tungkiang, "Red" stronghold in northern Szechuan. After an all-day engagement, Government troops occupied Hunglintai, Laohuting, Yengkowchang, Shihkuanying and four other towns successively. The "Reds" suffered heavy casualties.

The capture of Nankiang, one of two remaining "Red" strongholds in the extreme north of Szechuan, is reported by General Teng Hsi-hou, Field-Commander of the 1st Column of the Szechuan Bandit-suppression Forces, according to a telegram received at Nanking. With the capture of Nankiang, only one more "Red" rendezvous is left, that is, Tungkiang.

A previous telegram from Chungking states that the 1st Route Army Szechuan has occupied Tiehting Shan (mountain) and two other strategic points at Changchih, which is 40 miles south-west of Nankiang. General Teng Hsi-hou is personally directing the assault on the "Reds" holding Nankiang. The 6th Route Szechuan Army is attacking Tungkiang in northern Szechuan.

According to information from independent sources in Chungking April 4, the Communists in northern Szechuen under Hsi Hsiang-chien are counter-attacking. The vanguards of the Reds are composed of six regiments and they are now moving steadily in the direction of Tungkiang and Pachung, the two strategic centres which the Szechuen troops recently recaptured from the Communists. General Liu Hsiang is rushing additional troops to northern Szechuen to strengthen the defence at Pachung.

Desperate fighting is still in progress in northern Szechuen between the Szechuen troops and the Communists. It is reported that at the battle near Wangchin Hill alone, the provincial forces lost about twenty company and battalion commanders, while the communists lost about 2,700 men.

British National, K. Sheldrake, "Invited" to Become Sinkiang King

A startling exposure of British intrigue in Sinkiang was made by the *New York Times* on March 13, when it published a special cable from its London correspondent, saying that a British national by the name of Khalid Sheldrake has been offered and accepted the "Kingship" of Sinkiang State and both his wife and his two sons in London overenjoyed themselves at the immediate prospects of becoming "Queen" and "Princes." In view of the great significance of the information, the Cable is reproduced below with full details.

"London, March 12.—Mrs. Ghazia Sybil Shedrake, wife of the former London pickle manufacturer, told tonight how she had received a message from China, saying she would soon be a queen.

"Her husband is Dr. Khalid Sheldrake, an Englishman who was converted to Mohammedism and who has been travelling in the Far East for the past sixteen months studying conditions among his fellow Moslems.

"Dr. Sheldrake was sitting in a hotel in Peiping recently when a deputation from Chinese Turkestan arrived saying Sinkiang Province had been declared independent, and as the appointment of a king would probably end fighting, they had been commissioned to invite him to take the throne. He accepted.

" 'I felt rather worried when I received husband's cable announcing his decision,' Mrs. Sheldrake said, 'but I approved especially as my husband is much beloved by the Moslems. I am quite prepared to be present at the coronation, but probably he is returning to England first. My two sons are excited at the idea that they are now princes.

" 'As a youth my husband was destined for the church, but while he was studying he read works on the Moslem faith which converted him and later he converted me, she continued. He suggested Islamestan as the name for the new State.' "

In response to a summons from the Ministry of Foreign Affairs, Wu Ai chen, Special Commissioner of Foreign Affairs for Sinkiang, returned to the Capital April 4 via Siberia to report to the Government on the situation in Sinkiang. The general situation in Sinkiang, Mr. Wu said, is unusually complicated, especially when it is realized that the province is a hot-bed of foreign intrigues. If effective measures are not adopted promptly for the solution of the situation, the province may fall into alien hands before long, he said.

Tibetan Office Denies Asking Return of Panchen Lama

The Nanking office of the Tibetan Government issued a statement on April 7, saying that the delegation from Tibet had not been sent by the Tibetan government, and had not been entrusted with a mission to welcome the Panchen Lama on his return to Tibet.

The statement farther said that several Lamas who are on the way to Nanking are coming on their own accord to join the Panchen Lama in chanting prayers. They had not been sent by the Tibetan government nor had they been entrusted with a mission.

General Huang Mu-sung, Special Commissioner to Tibet, said that owing to certain arrangements not having been completed, no date has yet been set for his departure for Lhassa, capital of Tibet.

According to a telegram received by the Government from Gen. Liu Wen-hui April 6, the Tibetans have resumed their attack on Sikong. The Tibetans are making Paiyu, a district on the east bank of the Chinsha River, their objective and for this purpose reinforcements are being rushed to the Chinsha River front from Changtu, the base of the Tibetan military movements.

General Liu, in the telegram, suggests a redemarcation of the boundary line between Tibet and Sikong. According to General Liu, the boundary line should be on the west bank of the Chinsha River in the district of Changtu, which the Tibetans are now holding as their base of military activities.

Eight measures for the solution of the Tibetan-Sikong dispute have been devised by the Mongolian and Tibetan Affairs Committee, and forwarded to the Tibetan authorities at Lhassa for consideration, through Kung-Chio-Chung-Ni, Nanking representative of the Tibetan authorities. These measures are based on the recommendations as submitted by General Liu Wen-hui.

Commenting on the situation in Sikong, Tibet and Sinkiang, *The Sin Wen Pao* on April 3 said: "The Tibetan attempt to capture Sikong, the Sinkiang attempt to establish an independent government in southern Sinkiang indicate in what direction the wind is blowing. International intrigues are becoming more and more evident in the west and recent reports state that Japanese disguised as Lamas have entered Tibet. All such movements on the part of the Powers have made the situation in China's North-west more and more complicated to handle. The more the delay by the Chinese Government to consolidate the situation in these regions, the more dangerous will the situation become. Therefore it is sincerely hoped that the Government, while paying attention to the situation in the South-east, will not neglect the North-west altogether."

Nanking Informed of British Occupation of Panhung in Yunnan

The Government received a telegram from the Yunnan Provincial Government April 3, reporting that the British armed invaders have completely occupied Panhung on the Yunnan Burma border and the Burmese miners are opening up the gold mines there. The Burmese, under the protection of the armed British guards, have also occupied Chengkangtsai and they are still advancing in the direction of Manchiu. The telegram states that Panhung and districts south of Chengkangtsai are rich for their silver ores, and the districts north of Chengkangtsai are known for their gold production.

Reports from Japanese circles state that fighting has already broken out between the Yunnan natives and the Burmese at Panhung. The Government, however, has so far received no information about the alleged outbreak.

The British Consulate at Nanking issued a denial of the reported British and Burmese invasion of Yunnan on April 4.

The Military General Staff Department at Nanking has appointed Li Yuan-kai and Yang Kwang-ying as Chief and Deputy Investigation Commissioner respectively for the Yunnan border. They are leaving for Yunnan shortly in the company of Yin Min-te, representative of the Ministry of Foreign Affairs. The Yunnan Resident Association has decided to despatch Li Chi-yu to Yunnan to accompany the Commission to make an independent investigation.

Another Japanese Crisis in North China Feared Imminent

Following the departure of General Huang Fu to confer with General Chiang Kai-shek, the Japanese have become very active in North China during the past few day days, according to a *Reuter* telegram from Peiping April 8.

The message states that over 100 Japanese military officers arrived in Peking during the past week. They were sent by the Tokyo general staff for the purpose of "getting acquainted" with the principal strategic cities in North China. After conferring with the Japanese military authorities there, these officers left for Chahar, Suiyuan, Shansi and Southern Chihli.

Observers in Peiping are convinced that General Huang Fu has been entrusted with the Japanese demands regarding rail traffic and postal facilities in North China, the rejection of which may create a tense situation.

A fleet of 29 Japanese planes staged an aerial demonstration along the Great Wall on April 6. Meantime, Japanese troops in Malanyu and Kienchongying are steadily increasing, while a portion of the Japanese army in North China has started a three-day maneuver in the demilitarized zone in Luantung.

General Yu Hsueh chung, Chairman of Hopei, denied that he has tendered resignation from his post. In touring over the various districts of the province, he noticed that peace and order has been restored. Referring to the recruiting of Chinese laborers by the Japanese, General Yu said that he will confer with General Ho Ying-chin and General Huang Fu concering measures for curbing such illegal acts. To prevent the overflow of the Yelllow River in southern Hopei, he said, a sum of $1,000,000 will be raised to repair the river dykes.

The tense situation at Yutien, 70 miles east of Peiping, has been relaxed as the peace preservation units under Feng Shou-shan have modified their attitude towards reorganization and signified their readiness to observe the orders of the Provincial authorities.

Mongolian Council Slated to Be Inaugurated April 23

Prince Yung, President of the Ulan-Tsab League and Chairman of the Mongolian Local Autonomy Political Affairs Council, telegraphed the Central Government April 6, expressing gratification over the General Principles governing Local Autonomy in Mongolia as recently adopted by the Central authorities. According to Wu Hao-ling, Director of the Nanking Office of the Mongolian Leagues and Banners, the Mongolian Local Autonomy Political Affairs Council will be formally inaugurated at Pailingmiao on April 23.

In view of the large number of bandits in northern Chahar and the lack of sufficient troops to cope with the situation, the Chahar Provincial Government has issued a proclamation declaring that bandits who surrender themselves before May 1 will be regarded as "good citizens" and will be incorporated into the regular Chahar army.

Sun Desires to Rejoin Peiping Council

Liu Tseng-yu, secretary to General Sun Tien-ying, the erstwhile rebel commander, is reported by *Reuter* April 7 to have telegraphed to Peiping that General Sun will come to Peiping as soon as he has settled his private affairs in Shansi. It is stated that General Sun desires to be reinstated in his position as a member of the Peiping Branch Military Council.

Reorganization of the rebel troops under General Sun will begin the middle of the month. The superfluous troops will be transported to Fengtai near Peiping for disbandment. After reorganization, the brigades under Major-Generals Lu Yueh-ting and Yu Shih ming will be transferred to Hopei to undergo rigid training.

The Suiyuan Provincial Government has decided to appropriate $50,000 for the relief of the war refugees at Linho affected by the recent Sun Tien-ying revolt. The sum, however, is far from being sufficient.

General Chu Shao-liang, Director of Lanchow Pacification Headquarters, and General Ma Hung-kuei, Chairman of Ninghsia and concurrently Commander of 15th Route Army, are shortly coming to Nanking to submit a personal report on the campaign against the Sun Tien-ying revolt to the Central authorities. They will also visit General Chiang Kai-shek at Nanking.

General Ma has telegraphed to the Central Government for additional funds for the relief of the war victims. The Government has already remitted $50,000 to Ninghsia.

A Kansu Brigade under Major-General Ma Pu-fang has been despatched to Yumenkwan, western Kansu, to check the entrance of the remnant Sinkiang insurgents under General Ma Chung-ying. Ansi, western Kansu, which was occupied by the rebels has been recovered and is now being garrisoned by a strong force of infantry, artillery and cavalry units.

General Huang Shao-hsiung, Minister of Interior, who is visiting Taiyuan, paid a visit to General Sun Tien-ying at the Chih Shih (Monastery) April 6. He will presently proceed to Hopientsun to see General Yen Hsi-shan, Director of the Taiyuan Pacification Headquarters. General Ma Hung-kuei has telegraphed Minister Huang to visit Ninghsia, while he is touring the North-west.

Canton-Nanking Entente Blocked by Efforts of Politicians

Efforts by the National Government to attain closer cooperation with the Southwest political leaders were dealt a heavy blow, according to a Hongkong telegram in the *Shanghai Evening Post* on April 3, saying that General Chen Chi-tang and Li Tsung-jen have definitely decided to maintain the Southwest Political Council and the South-west Kuomintang Executive Department.

The generals are said to have reached a decision to retain these two organs, following a meeting the previous day in Canton. It was also decided during the meeting that the monthly alllowance of $50,000 given Hu Han-min be stopped in line with the retrenchment policy. However, Nanking is not abandoning its hopes to attain closer co-operation with the Southwest, particularly in regard to the bandit suppression work.

A *Kuo Min* telegram from Canton on the same day reported that as a result of conferences between Generals Chen Chi-tang and Li Tsung-jen, it has been decided that the South-western Branch of the Central Executive Committee and the South-western Political Council will maintain their status *pro tem*. The monthly expenses of the two organs will, however, be reduced.

The following terms are reported to have been sent by General Chiang Kai shek to General Chen Chi-tang regarding military reorganization in South China;

1.—That a South-west Branch Military Council be established at Canton.
2.—That the existing First and Fourth Group Armies in Kwangtung and Kwangsi be abolished forthwith and the troops in these two provinces reorganized.
3.—That General Chen Chi-tang be appointed Chairman of the Canton Branch Council and General Li Tsung-jen the Vice-Chairman.
4.—That an office of the Branch Council be established at Nanning in Kwangsi.

Hu Han-min has issued another circular telegram, criticising the new draft Constitution. Mr. Hu points out that the Constitution is not applicable and that its spirit is decidedly against Sun Yat-sen's "Outlines for National Reconstruction." The South-west Political Council has appointed a committee of seven to study the document.

Wang Yang-chung, representative of Hu Han-min, is now in Canton to exchange views with the Canton leaders regarding the draft Constitution and the question of abolition of the South-west organizations. Mr. Wang is trying to persuade General Li Tsung-jen to visit to Hongkong for a personal meeting with Mr. Hu.

General Chen Chi-tang has telegraphed the Government, recommending the appointment of Generals Li Tsung-jen and Pai Chung-hsi of Kwangsi as Vice-Commander and Field Commander of the South Route Anti-Communist Army respectively. In the offensive against Kiangsi, General Pai Chung-hsi will assume full command of the troops from Kwangtung and Kwangsi.

Generals Chen Chi-tang and Li Tsung-jen have addressed a joint telegram to the Government asking for appropriation of fund for the early establishment of the South-west Branch Military Council.

General Li Tsung-jen has asked General Chen for an additional allowance of $300,000 monthly towards the expenses of the Kwangsi troops. If the request is complied with, General Pai will personally lead one division to southern Kiangsi via the West river region.

General Chen Chi-tang is reported to have remitted $40,000 to General Chang Fa-kuei, the well-known Commander of the famous "Ironsides" (4th Army) who is at present in Europe, as travelling expenses for his return to China. He will be given an important post when he returns.

Nanking Launching New Construction Projects

A public loan to the amount of $40,000,000 secured on the British Boxer Indemnity Refunds, will be issued by the Ministry of Industries for the capitalization of the government paper plant at Wenchow, Chekiang, according to a *Chekiai* Agency telegram from Nanking April 7. It is estimated that if the plant can produce 35 tons of news print a day, it can make a yearly profit of from $1,500,000 to $2,000,000.

The Ministry of Industries is also launching an ambitious scheme for the development of China's sugar industry which has in recent years suffered enormously owing to the competition of foreign imports. It is said that two measures have been suggested. One is to improve and expand the present sugar plants and the other, opening of new plants in South China. In order to finance the project, the government may issue a National Sugar Industry Loan to the amount of $2,000,000, but other measures for raising the needed funds are also considered.

The *Chekiai* Agency reported from Chinkiang April 7 that work on the projected Tungchow-Haichow Railway in northern Kiangsu, promoted by the Kiangsu Provincial Government and a group of leading industrialists in the province including Mr. Yung Chung-ching, will commence in June this year and is scheduled to the completed within two years. It is estimated that completion of the railway will require a total sum of $70,000,000.

At the meeting of the Standing Committee of the Central Executive Committe held April 5, the Regulations governing the organization of the Committee for the Examination of publications and magazines were adopted.

A stern warning against violation of the principles of the New Life Movement was delivered April 3, by General Chiang Kai-shek, President of the Military Affairs Commission, in an address at his Headquarters in Nanchang.

General Chiang expressed satisfaction over the fact that though it has been launched only recently, it has already so stirred the people of Nanchang that few inhabitants in the city are now untidily dressed or spit in public places. Henceforth, he continued, the personal appearance and conduct of the students must be regulated by the principles of the New Life Movement. For their violation by any student, the educational authorities concerned will be held responsible and will be duly punished.

The New Life Movement, if faithfully carried out throughout the country, is bound to reinvigorate our national life, President Lin Sen said. The aim of the Movement, he said, is to rid the nation of its reprehensible customs and habits, and introduce in their stead ideals and practices tending to revive the national spirit. The individual is the unit on which the Movement must be founded. Aiming as it does at the improvement of personal habits, it cannot be successfully carried out except by individual effort and preseverance.

Nanking Takes Steps to Suppress Anti-Modern Movement

Wang Ching-wei, President of Executive Yuan, has issued an order to the Ministry of the Interior instructing that effective steps be taken immediately to prohibit further activities of the so-called Anti-Modern Associations in Hangchow, Shanghai and Peiping.

The "Anti-Modern Movement" has spread to Tientsin. Members of the Association are found active in different theatres and so far more than 70 cases of clothes being spoiled or destroyed by chemicals have been reported.

Members of the Anti-Modern Association began to function in Peiping April 4. Two cases of clothing being spoiled by ink and chemicals have been reported.

(Continued on page 265)

Influence of Mitsui and Mitsubishi in Japanese Political and Economic Life

BY T. TACHIBANA

This is the first of two remarkable articles dealing with the widespread and often demoralizing influence of the powerful Houses of Mitsui and Mitsubishi in Japanese political and economic affairs. Mr. Tachibana, the author of the articles, is a well known Japanese authority on economics who has just written a book entitled "Survey of Crimes Committed by Political Parties," of which these articles constitute the important chapter. The book caused a sensation in Japan, particularly in view of the charges in Japanese military circles that party politics are hopelessly corrupt and should be abolished and the activities of politicians and political-merchants suppressed in favor of a military fascist regime. The articles were translated and supplied to "The Review" by a staff member of "Contemporary Opinions," published in Tokyo.

1:—High Cost of Electioneering and Political Life

SINCE the ultimate object of all political parties is how to come into power and how to carry it on, it is no great wonder that the utmost concern of party men lies in how to run a successful election. And what is the most vital to a successful election campaign is money—electioneering funds. This is always the source of crimes and scandals by party men and capitalists.

Suppose one candidate must spend some fifty thousand yen for his election campaign, he will have to finance himself to the extent of at least some thirty thousand yen while the rest must be subscribed by the headquarters of his party. And, if a party nominated three hundred candidates, it is matter of course that the headquarters have to strain its credit to the extent of three million yen. At the same time the headquarters must have a big sum for its own use during election. Consequently it will be obliged to raise at least ten million yen for one general election. It can not have such a big sum in its vault. It is from this reason that political parties are compelled to rely upon capitalists for their monetary aid in every election.

Leadership of a political party is also an expensive business. He must be a comfortable boss for a good many proteges. He must lead a life of dignified appearance befitting to his weight in the party. It is natural a political leader is called upon to spend for his livelihood two or three thousand yen a month or twenty or thirty thousand yen a year—two or three times as much as the annual official income of a Minister of State. And then, who will make good the deficit? They can not get along without pecuniary aid from capitalists.

This is also the case with many sub-leaders and a large number of the rank and file of a political party. They are always hard up for money because of their high living and dignified appearance, and therefore are eager to come to terms with those who can afford to finance them. But men of wealth, plutocrats or capitalists are by no means so soft-hearted as to offer their fortune without any condition or any prospect of return. They are always eager to turn everything into their account. They never pay a cent without remuneration. But they are always ready to pay off even several million yen if they are at all sure of getting ten million yen in the future in return for the outlay.

2:—Rewards Are Given in Government Concessions

Then there arises spoil of interests by men of wealth, plutocrats and capitalists who financed party men. And the rewards are given in the form of Government concessions of various natures, such as, disposal of government or national properties, granting of government subsidies, purchase of war supplies and other government requirements, purchase of private railways, establishment of protective tariff in favor of some special industries, protection of particular banks or commercial institutions, lease of government plants or machineries and numerous others.

It is well known that government steamship were disposed of at slaughter price to Mitsubishi which accumulated its present wealth on the foundation of these steamers, and government coal mines to Mitsui whose wealth came mostly from these god-sends. There were countless instances of government factories, ship yards and mines which were sold for a mere song to benefit capitalists who are allied with party men. It is also known to all that there was transfer of huge credit from those who were given these concessions to those who granted them.

It is indisputable fact that Mitsui backs the Seiyukai party while Mitsubishi backs the Minseito party, contributing several or ten million yen to their respective allies every time of general election. It is beyond imagination what a huge sum of money every one of them has contributed in the past to manipulate political parties. But the only thing which is apparent is the fact that the two firms have already got far more gains than they have spent.

If I run through the full list of crimes and scandals committed by political parties in concert with capitalists, there is no end to it. The conclusion will be that party politics is nothing more than a government by capitalists. This assertion was well endorsed by the fact that denial of party politics resulted in the recent assassination of many capitalist leaders. Seigo Nakano of Kokumin Domei (Minority Party) once said that the Minseito was under mandate of Mitsubishi. The late Mr. Inukai confessed that money was essential for politics.

3:—Seiyukai and Mitsui

The intricate relations between the Seiyukai Party and Mitsui interests date back to the days before Meiji when Kyoto was the Capital. Mitsui had since financed many leaders of the "Choshu" and "Satsuma" clans who carried out the great Restoration of Meiji. During the early days of Meiji, it had been on close terms with such statesmen as the late Prince Ito and Prince Saionji who were allied with the "Choshu" military and political clan.

The connections were succeeded by General Yamagata, Viscount Inouye, General Tanaka and many other leaders of "Choshu" clan. During recent several years, there were many Seiyukai leaders who played the role of persuading Mitsui to pay for electioneering and for other purposes of the party. They were the late Mr. Noda, Minister of Communications, Jotaro Yamamoto and the late Kaku Mori. And it is conceivable that Mr. Kuhara has also played his part for the similar purpose, indirectly mostly through his enterprises which are related to those of Mitsui.

The relations have gradually come to embrace all industrial capitalists who are controlled financially by Mitsui, such as Sumitomo, Fujita, Kuhara, Furukawa and some others. Kichizaemon Sumitomo, master of the Sumitomo, is allied by marriage with Mitsui, while on the other hand Prince Saionji is one of distant relatives of Sumitomo family. Mr. Yugawa, former ruler of Sumitomo firm, was nominated to the House of Peers while the Seiyukai party was in power.

The Fujita has also the ties of blood with Mitsui and Kuhara, and has long allied with the Seiyukai, through the late General Tanaka and Mr. Kuhara. It need not be said that the many enterprises of Mr. Kuhara are closely related to Mitsui and Fujita, financially and historically. Furukawa was once a merchant in Kyoto who got his present wealth by the aid of Mitsui. It is quite natural that this firm is also among the camp of the group which subscribe to the finances of the Seiyukai. It should be remembered that the famous president of the party, the late Mr. Hara, had long been an advisor to this company.

Seiyukai Commands Many Capitalists and Corporations

There is a group of conspicuous industrial capitalists who are under the financial control of Mitsui. They are the owners of medium sized capital although not to be described as big plutocrats. It is no wonder that they have become tributaries to the Seiyukai Party. They are Messrs. Ginjiro Fujiwara, Momosuke Fukuzawa, Shintaro Ohashi, Kintaro Hattori and some others. The Tokyo Electric Light Company, Toho Electric Power Company and some other corporations are also apparently within the camp of the Seiyukai. G. Fujiwara described as the paper

magnate of Japan, has the nominal title to the Ohji Paper Mfg. Company with the actual controlling power in the hands of Mitsui. He was made an Imperial Nominee to the House of Peers when the Seiyukai was in power. M. Fukuzawa is considered as occupying an outpost of the Seiyukai on account of his leadership in the Daido and other electric power concerns which owe allegiance to Mitsui because of ties of finance. S. Ohashi, director of several big corporations, and K. Hattori, the largest maker of time-pieces in Japan, are not only closely related to Mitsui financially but are also on terms with the party politically.

The Tokyo Electric Light Company has long been under the absolute financial control of Mitsui and the political influence of the Seiyukai, since the days of its last president Mr. Wakao, formerly a director of the party, who was succeeded by Baron Seinosuke Goh, present adiministrator of the company. The Toho Electric Power Company in whith Mr. Yasuzaemon Matsunaga plays the predominating role, is also more inclined to the Seiyukai as a result of its financial bondage to Mitsui.

Yasuda interest, though, appearing to be little imbued with political taint, may have allied with the party in some way or other, since Korekiyo Takahashi has been a senior advisor to the firm. But the Osaka Shosen Kaisha is known to all as backer of the party, as Mr. Nakahashi dominates the company and Keijiro Hori, former managing director of the company, was nominated to the House of Peers by the recommendation of the Seiyukai statesmen. It operates some subsidaries including the Ujigawa Hydroelectic Power Company, with a huge total of capital investment. And Mr. Nakahashi has been able to build up his influence in the party thanks to the vast financial strength arising out of the Osaka Shosen and its many subsidiaries.

The silk reeling industrialists of Nagano Prefecture constitutes a faction of the Seiyukai through Hokichi Ogawa, former Minister of Railways and at present a leader of the party, who was involved in the so-called great scandal of Showa. And Gosuke Imai, actual owner of the Katakura Company which is the largest silk reeler of the prefecture, is the political representative of his fellow traders, having been given a seat in the House of Peers by the Seiyukai. It should be borne in mind that such industrialists as Ohkawa, Tanaka and Kawasaki are all more partial to the Seiyukai than to other parties.

Kojunsha is Financial Headquarters of Seiyukai

There is another important organ of the Seiyukai Party. It is the Kojunsha, which is ostensively a social institution but actually the financial headquarters of the Seiyukai. This was established in 1878 by the late Yukichi Fukuzawa, founder of the Keio University, who professed the cause of this social club so as "to exchange knowledge, to discuss social affairs and to give aid to various works intended to promote the welfare of the community at large." What this cultural forerunner was concerned about most in those days was how to free the Meiji Government from the military and political despotism of the "Choshu" and "Satsuma" cliques. In order to achieve this end in view, he opened an educational institution which was the origin of the present Keio University, with a view to training youths capable of combating against these clique leaders, and then established the Kojunsha and the *Jiji Shimpo* to provide better strongholds with those who came out of his school.

During the course of the succeding decades, however, the Kojunsha has apparently lost so much of its original function that it has become merely an instrument of Mitsui for its political plotting, and so distinctly against the interest of Mitsubishi and the late Mr. Katsura who organized a political party which was the precursor of the present Minseito that all members of the Iwasaki family, directors of various Mitsubishi establishments and their associates have been obliged to desert the club en bloc. It was simply because of this reason that the late Count Tokaaki Kato, the late Mr. Toyodawa and Mr. Kushida of the Mitsubishi Bank and other Mitsubishi members of long standing left the club one by one at various times during 1916 when Katsura's Cabinet was driven out of power.

At present this social club is nothing more than a club for men of Seiyukai and Mitsui, with the exception of only a few from the Minseito or from Mitsubishi, such as Messrs. Ichimiya and Fujiya Suzuki of the Minseito and Takeo Kato, managing director of the Mitsubishi Bank who is a graduate of the Keio University. Prominent business men who appear frequently in this club are the executives of Mitsui's direct firms or its subsidiary companies, including Mr. Ikeda of Mitsui Gomei Kaisha, Mr. Yasukawa who has recently retired from the Mitsui Bussan Kaisha, Mr. Yoneyama of Mitsui Trust Company, G. Fujiwara of the Ohji Paper Manufacturing Company, Mr. Isomura of the Hokkaido Colliery and Steamship Company, M. Fukuzawa of the Daido Electric Power Company, Mr. Kobayashi of the Tokyo Electric Light Company, Mr. Matsunaga of the Toho Electric Power Company, Mr. Nishino of the Nippon Air Transport Company and many others. Other regular patrons of the club are S. Suzuki, former president of the Industrial Bank of Japan; Mr. Ikuta, president of the Showa Ginko; Mr. Isono, proprietor of the Meijiya; Mr. I Kadono, president of Chiyoda Life Insurance Comyany. It is interesting to note that Baron Okura and C. Takayama, president of the Oriental Development Company are among those who come often to this club.

Now I have to deal with the statesmen who haunt this club. They are Messrs. Hatoyama, Minister of Education; K. Oguchi, advisor to the Seiyukai; Z. Horikiri, parliamentary vice-minister of Finance; Kunisuke Okazaki, advisor to the Seiyukai; Chuzo Mitsuchi, Minister of Railways; Toshio Shimada, senior director of the Seiyukai; Keisuke Mochidzuki, advisor to the Seiyukai; and a large number of Seiyukai members of the both houses. Some prominent members of the House of Peers who are on the list of this club are Y. Hatta, vice-president of the South Manchuria Railway Company; Baron Toshimaru Fukuhara, president of the Associated Warehousing Company of Yokohama; Baron Ideka, a leader of the Koseikai; Count Okudaira, a leader of the Kenkyukai party.

The foregoing lists will be more than enough to suggest the very close relations existing between the Seiyukai and Mitsui. The very special nature of the relations may well be imagined, if one takes into account the fact that the leading members of the Kojunsha played the initiative and decisive role in the last ban on gold export, which was put into force in 1931 immediately after the late Mr. Inukai's Seiyukai Cabinet displaced its predecessor, a Minseito Cabinet which was diametrically opposed to the ban. It was reported that Mitsui was to incur a loss of millions of yen on its heavy speculation in foreign exchange unless the ban was imposed by the Seiyukai Cabinet, but it made an easy gain of more than one hundred million yen from the same speculation thanks to the ban. The Seiyukai party, therefore, received due rewards in the general election which was held in the following year. It was solely on account of the huge electioneering fund received from Mitsui that the party won the election with an overwhelming majority, which was 304 as against the 140 of the Minseito.

A conversation in Kojunsha is tantamount to the resolution of the executives' council of Mitsui since most of the highest leaders of all principal operatons of Mitsui ate always there. And at the same time, the Seiyukai party has always some of its leaders in the club. It may therefore be said that the Kojunsha combines the highest council of Mitsui and the decisive will of the Seiyukai. It is the financial headquarters of the party, and it is the general staff of Mitsui for commanding and directing the Seiyukai together with prominent business men from the Keio University, the *Jiji Shimpo* and the *Chugai Shogyo Shimpo*.

(To be Continued)

I. P. R. Secretary General Visits Shanghai

Mr and Mrs. Edward G. Carter, who are touring all the Pacific members countries of the Institute of Pacific Relations, arrived in Shanghai, April 8 for a fortnight's stay. They will later proceed to north China. Mr. Carter, the new Secretary-general of the Institute of Pacific Relations, is a graduate of Phillips Academy and Harvard University. From 1922 to 1930 he was Director of the Inquiry in New York. In recognition of welfare service rendered during the World War he was Decorated Officer Order of British Empire; Chevalier Legion of Honor (France); Order of Crown of Siam; Kaiser-i-hind gold medal (India). For several years he acted as Honorary Secretary of the American Council of the Institute of Pacific Relations and in August 1933 was elected Secretary-General of the Pacific Council of the Institute with headquarters in Honolulu. He has served as chairman of committees formed in the United States to cooperate with the Chinese National Association of the Mass Education Movement and also Nankai University.

Mrs Carter is a graduate of Barnard College and Columbia University. She is the daughter of the late William H. Draper of New York and a grandaughter of Charles A. Dana, the former editor of the *New York Sun*. She has traveled widely in Asia and Europe, having made her first round-the-world journey immediately after graduating from college. She has just relinquished the Chairmanship of the New York State League of Women Voters. For some time she served on the lecture staff of the Foreign Policy Association.

Ford to Have Special Building at 1934 Chicago World's Fair

Residents of China who plan to attend the second year of the Century of Progress Fair at Chicago will be interested to know that the Ford Motor Company has let the general contract for the erection of the Ford exposition building in that city. Construction work has already begun and will be completed before June 1. The Ford building, which is to one of the largest at the 1934 A Century of Progress, will be situated on an 11-acre tract with a frontage of 1100 feet on Lake Michigan. A five-acre park on the lake shore is a part of the general project.

Signs of Progress in China and International Cooperation

BY T. M. YEH

DURING the past two decades, and especially in the last few years, China has unfortunately been afflicted with civil wars, natural calamities, and international complications. And such an overwhelming flood of material has gone forth from China to the different presses throughout the whole world, descriptive of China's internal squabbles, famines, and, more recently, its controversy with Japan, that very little has ever been said about those forces which are operating toward creating a new China.

It is a matter of gratification and encouragement to note that while we have been undergoing many tremendous and convulsive changes and revolutions, political, social, economic, and intellectual, all at one time; and while we have engaged in a life-and-death struggle to remove the imperialistic yokes, out-of-date treaties, extrality, etc.; and while we have been suffering from many natural calamities, such as flood, famine, etc., which have devastated 16 provinces; and while we have been fighting with our nearest but hostile neighbor, who, without any reason or justification, has invaded and occupied four of our large provinces in the north-east, we did achieve wonderful progress, of which too little is known to the world.

The present National Government in China has its conception in a popular movement started by the late Dr. Sun Yat-Sen against the military tuchuns or war-lords who then controlled China in the name of the Republic. Commencing in 1926, with a control only over the city of Canton and its surrounding territory, its progress was rapid and continuous until it gained its present position of national control. This alone represented a tremendous step forward, but much more has been accomplished since then and of which the world has known but little. Substantial progress has been made in the domain of public works, transportation, education, industrial development, and finance of the country.

Let us see, first of all, what has been achieved in the field of education. Chinese of all classes have always had a great respect for learning and a natural inclination towards intellectual culture. Even among the peasantry and laborers there is an appreciation of the value of education. Lack of opportunity due principally to shortage of schools has been the main cause of illiteracy. Thoughtful men and women throughout the nation are realizing as never before the importance of education for the masses of the people, and are throwing themselves wholeheartedly into the work of mass education. It was at the National Educational Conference held at Nanking in 1930 that an important resolution was adopted to the effect that within six years 135,000 teachers should be trained, and 112,470 mass education schools established so that the illiterates between 16 and 60 years of age might receive four months' schooling in simple reading and writing. The salient feature of this movement is the "Thousand Character" system. It is estimated that over 25,000,000 people up to July, 1929, had been taught the rudiments of reading.

Western Science Is Studied

Nor did the Government neglect the importance of education. Many western subjects, particularly the sciences, have been introduced with stress on the agricultural, commercial, and industrial sides. The attention of college and university education in China has been concentrated on training men and women for engineering, medical, and agricultural services. Hundred of schools, primary or advanced, have been established to effect this purpose during the last few years. In 1930-1931 there existed nearly 210,000 primary schools with 9,000,000 pupils, about 14,000 secondary schools registering 800,000 students, and 52 universities enrolling 37,000 students. In addition there are technical institutions of higher learning, schools of a less formal type, private institutions, and schools of various activities, the total number of which amounted to 11,000.

In order to give some idea of the educational progress in China, we may quote from the report of the League of Nations, which has recently made a study of Chinese education: "It is with the greatest satisfaction that we take this opportunity of recording at this point our strong sense of the educational progress made since the Revolution..... an achievement of which not all Western Governments have shown themselves capable."

Probably the most patent constructive work in China during the past decade is the extensive highway development under the auspices of the governmental, provincial authorities, and private efforts. Dr. Sun Yat-Sen in his Plan for the International Development of China (1919) spoke of a million miles of macadam roads. The National People's Convention of 1931 passed a six year plan which looked forward to 200,000 miles of new roads by the end of 1935. In January 1932, a Bureau of Public Roads was established under the National Economic Council. Since then progress has been greatly accelerated. Attention was at first concentrated on the "The Three-Province Program" for linking up the existing highways in Chekiang, Anhwei, and Kiangsu . This having been nearly completed, the Bureau is now concerning itself with a "Seven-Province Program" for the linking up of 13,670 miles of roads in Hunan, Honan, Hupeh, Kiangsi, Anhwei, Kiangsu, and Chekiang.

Besides these inter-provincial lines, twelve national highways on a large scale are proposed with definite plans, the most important of which radiate from Nanking, the national Capital to the frontiers. These plans call for 22,518 miles of roads at an estimated cost of $364,000,000. They are to pass through the most populous and productive districts linking up important commercial centers, and to act as feeders to railway lines. In 1922 there were only about 700 miles of highways in all of China. Within the last few years, 40,500 miles of motor roads have been constructed and 30,000 miles are now under construction.

Following the construction of roads, it has become necessary to widen the main thoroughfares of many cities and towns, especially those in central and southern China. This response is astonishingly extensive. We may truly say that there are more cities under construction at present than ever before in any other country in all of the world's history. The widening of city streets is encouraging other civil improvements, including the installation of waterworks, modern lighting systems, telephones, parks, playgrounds, and public health buildings. There is also a tendency to construct higher buildings. Thus, in many of these cities, three, four, and five story modern structures are replacing the old one and two story buildings. Take Amoy, a city on the South China coast, for example. Ten years ago Amoy was one of the dirtiest, most congested, and the most sordid of Chinese cities. At present it is completely transformed with wide, well-paved, well-drained, well-lighted streets. The city is supplied with pure water, provided with a beautiful park with the additional attractions of athletic fields, playgrounds, and recreation facilities. Roads radiate out from the city to all section of Amoy Island with regular bus service. A good number of other cities have, during the past few years, undergone similar transformation. This work will probably continue at an accelerated pace as conditions otherwise improve.

Improvements in Communication

In respect to communication and transportation, rapid development is also manifested in railway construction. The National Government railways showed considerable improvement in operations with some new constructions added during the past year. In addition, substantial plans for extensions and additional construction with Government, provincial or private interests are not lacking. Most important among these is perhaps the Canton-Hankow railways, for the completion of which a loan of $4,000,000 has been arranged with the trustees of the British Boxer Indemnity Funds. With these funds, the gap of approximately 250 miles in this 700-mile railway line, linking up South China with the north and the three eastern provinces and then through Russia with Europe, will be completed within the two years. A short railway of 150 miles was constructed in Chekiang

province. This line will soon be extended to Wuhu in Anhwei province, where it is planned to be carried to Nanchang thence on to a connection with the Canton-Hankow Railway. A still shorter line of 45 miles extending from Tungkwan to Sian, capitol of Shensi province, is now under construction and will be completed by June this year, with prospects of reaching the western terminal of the Lunghai railway at Lanchow, capital of Kansu province.

A third significant aspect of China's modernization in connection with a communication and transportation is civilian aviation, which is growing with unprecedented rapidity. Line after line is being opened up, and a network of airways is developing and spreading over the country. Shanghai is now linked by air directly with Peiping in the north, with Lanchow of Kansu in the northwest, with Chungking and Chengtu of Szechuan in the west, and with the coast cities down to Canton in the south. There is also a line connecting Peiping with the Kansu centers. The air service in China is intended not for ordinary freight traffic at the present time, the cost being entirely too high, but for supplying a swift service to mail and passenger transport. The air lines are doing a real service in the practical unification of China. What this means in the drawing together of the country may be seen by comparison. Ordinarily it takes not less than three days to reach Canton by steamship from Shanghai. By the air line, one can reach there on the same day. But when lengths of time are compared for the up-river ports, especially for what was formerly almost inaccesible Szechuan, the difference is far more striking. By steamer it requires about two weeks to make the sixteen hundred miles trip from Shanghai to Chungking. By air line, this trip can now be made in two days. The time to Chengtu ordinarily takes three weeks. By air it is three days.

Aviation in China is becoming not only of national importance, but of international significance. In 1931, the Eurasia Aviation Company, a Sino-German concern (2/3 interest owned by the Chinese Government, and 1/3 by the German concern, Luft Hansa) maintained for a short time a regular service between Shanghai, Peiping, and Manchuli, on the Sino-Russian border, making connections with Soviet planes flying across Siberia into Europe. This, however, was halted by the Japanese invasion of Manchuria. But in the last two years the same company has extended its line towards the northwest in order to establish communications with Europe through Sinkiang.

Other international air lines are also coming appreciably nearer to realization. The line between Canton and the Philippines will probably be started in the course of the next few months, which will be preparatory to the inauguration of direct air communication with the United States across the Pacific.

Another connection will soon be established with Europe, via southern Asia. At present only the gap between Canton and Bangkok needs to be filled. From Bangkok one can reach India and Europe, or Australia, by air.

Military Aviation Makes Strides

In military aviation, China is also showing rapid development This is all the more important in view of the vulnerability of China's main ports, due to lack of navy defense and existence of foreign concessions and settlements. China can create an air fleet and bring it up to the standard of a Great Power far more rapidly than she can do with any other branch of national defence. For this she is indeed striving with redoubled efforts. In addition to planes possessed by the different provincial Governments, the Central Government's air fleet alone totals more than 300 planes. At the present rate, China will achieve its plan for over 1000 planes by 1936, comparable with Soviet Russia or with Britain.

Side by side wtih the development of communication and transportation, industries have grown to an appreciable extent. A perusal of the statistics of China's modern factories reveals that the cotton industry is by far the foremost and largest factory industry which claims the greatest development. At one time cotton yarn headed the list of our imports. It is now so extensively manufactured that it has been relegated to the position of comparative insignificance in the import trade. In 1902, there were only 17 cotton mills in Shanghai. By 1932, there were 128 mills with 1,000,000 spindles in operation. By 1932, there were 128 mills with 4,427,000 spindles, representing investments of $450,000,000.

The electrical industry also thrives in China. There are at the present time 500 electric utility companies and 150 industrial power plants, with a total generating capacity of nearly 900,000 kilowatts, and an annual output of 2,500,000,000 kilowatt-hours. Almost 95 per cent of China's prime movers are steam-driven, 4.8 per cent internal combustion engines, and the rest, 0.2 per cent water power. Nearly all the electric utility companies are organized primarily for lighting purposes, only a few of them, as yet, realizing the possibilities for the supply of power; but that will undoubtedly come soon.

Factory statistics for some of the other manufacturing industries are: about 300 oil wells, 64 match factories, 50 cosmetic factories, 11 paper mills, 6 casting factories, 38 rubber factories, 6 cement factories, and several large tobacco factories. In addition to the rapid multiplication of factories, hundreds of small workshops sprang up in the last year.

However, industry cannot prosper without financial assistance and credit facilities given by the banks The growth of industrial enterprises is characterized by a rise of many modern banks. At present there are 600 modern banks in China, eleven of which were established last year in Shanghai alone. These banks made considerable progress toward the establishment of a central clearing house. A well regulated discount market modelled on American practice is being formed by the Joint Reserve Board. Currency reform, involving the abolition of the Tael and the adoption of a standard Chinese silver dollar and a standard mint bar, last year, added materially to the progress of improved banking practice.

Realizing the importance that China must have her own basic industries to build a strong foundation for future industrial development, the Chinese Government has drawn up a four-year plan, according to which the Yangtze Valley is to be made the center for heavy industries in China. During these four years the government will seek to develop the following industries: coal, iron, steel, sulphuric acid, machinery, petroleum oil, copper, motive power, automobiles, electrical supplies, sugar refining, paper making, and porcelain.

It is impossible, in this short space, to present a comprehensive and detailed statement on the constructive works achieved during the last few years. I hope what I have said will serve to give some idea that China has been going forward rapidly toward modernization.

However, it should be borne in mind that what we have achieved is still a trifle in relation to our area and population. Contrast our development with that of the United States, for example, which is smaller in area and population. We have but 12,000 miles of railways as against 275,000 miles in the United States; 40,000 miles of motor roads as against 3,000,000 miles. Other forms of industrial and commercial development are just as disproportionate. So in other countries you find over-production, surplus, and glut, but you still can see scarcity, under-development, and the paucity of means to purchase in a country like China, inhabited with virile, industrious people, comprising one-fourth of the human race and endowed with immense natural resources.

To raise the standard of living is our immediate aim in the development of China. An increase in the spending power of our people by an average of only two cents a day would create trade possibilities of over three thousand millions per annum. As soon as the economic levels of the masses are raised in China her consuming powers will not only absorb her own production, but also provide the greatest of all markets for the world—so great as to be a decisive factor in a new era of prosperity. No country in the world other than China offers the greatest possible opportunity for the productive employment of capital—Western capital as well as Chinese capital.

The Chinese Government aims at international cooperation, and "surely it should not be beyond the statesmanship of the world to find a form and method that would satisfy the ideal of Dr. Sun Yat-sen, in securing, on the one hand, the political and economic independence of China, and, in affording, on the other hand, western capital, industry, and commerce a profitable field for investment."

In order to secure the cooperation of others in the development of China, we have, of course, to establish our own system soundly. Amid the greatest difficulties, which I need not repeat, the Chinese have reason to be proud of those achievements aforementioned. Another encouraging fact to foreign friends, I would like to point out, is that our Government still adheres to the old custom of paying its debts during the period of the most catastrophic economic collapse the world has ever faced. The recent loan of fifty million dollars from the Government of the United States and the technical assistance offered by the League of Nations infallibly shows the present financial standing and credit of China and its great economic potentiality.

Some people in Asia advocate such doctrines as "Asia for the Asiatics" or the "Monroe Doctrine for Asia." This is alien to our conceptions of international intercourse. We reject such national or regional isolation. We want world cooperation in achieving the political and economic independence of China. In giving assistance to build up the youngest Republic of the Orient, the world is merely making a valuable contribution to itself, for, as I explained above, a well-developed and strong China will be a blessing to the world and is sure to solve many of the world's economic problems.

Bribery vs. Bigamy

BY PAUL K. WHANG (汪仲芳)

NEVER in our long history have we heard such a unique case as the present one in which a high official of a provincial government has caused the arrest of his wife on a charge of bribery, while the latter in turn has charged the former with bigamy. This politico-matrimonial scandal has gained such a wide publicity that it now becomes the chief topic of lively discussions among the populace.

The official in question is no other than Kuo Jen-fa, Civil Affairs Commissioner of Kiangsu Provincial Government. This office is virtually the same as that of Civil Governor under the past regime. All the city magistrates and other minor officials of sixty hsiens in Kiangsu have owed their appointments to him and are under his supervision. Therefore so far as his official standing goes, he ranks only second to the Chairman of Kiangsu province.

But scandals always occur in high official families. Sometimes ago the magistrate of Wusih dismissed a chief of a branch public safety bureau, Liu by name, on the ground of incompetence. Incidentally Liu's wife is a close friend of Mrs. Kuo, wife of the Civil Affairs Commissioner, to whom the former appealed for help. In order to lend her influence to the case, Mrs. Kuo rushed to Wusih and instructed Liu to refuse to hand over his office to his successor. In face of this insubordination, the Wusih magistrate had no alternative but to ask Mr. Kuo for instructions.

Upon being informed of the case, Mr. Kuo instructed the Wusih magistrate to arrest Liu and his wife on criminal charges, and also issued an order to arrest his own wife in Shanghai on a charge of "selling" public offices. Mr. Kuo's action in arresting his own wife for the sake of upholding official morality would win the admiration of the people, if no subsequent developments were made to cast further lights upon this infamous case.

Two Wives to Seek Divorce

Evidently resenting the high-handed measure taken by her husband against her, Mrs. Kuo hurled the charge back against her husband by suing him for divorce on the ground of bigamy. According to her allegations, she was married to Mr. Kuo in Hankow in 1931, but subsequently discovered that he had an undivorced first wife and also several children. In the meantime, the interest in the case has been further enhanced by the fact that the first Mrs. Kuo who is now in Nanking has also declared that she would file a suit of divorce against Mr. Kuo.

In face of these charges made by his two wives, Mr. Kuo so far has not yet been able to give a definite answer to clear up this matrimonial mess. In his public notifications which appeared in the Chinese press, he referred to this matrimonial impasse as merely a personal matter which has nothing to do with his status as an official. An evasive answer such as this will only lead the people to wide speculations as to what is the real motive behind this very comical show.

No one, of course, would be so naive as to believe that Mr. Kuo would be so anxious to uphold official morality as to land his own wife behind the bars. If his wife has really utilized his official influence in accepting bribes and "selling" public offices, he can by no means exonerate himself from the responsibility. One will naturally ask if he can not maintain discipline in his own family, how can we expect him to hold such an important office as the Civil Affairs Commissioner of Kiangsu province?

As a matter of fact, to lend her influence on behalf of her friend on the basis of friendship can not be said as being guilty of accepting bribes, unless further evidence can be produced to prove that she did so for a monetary consideration. Being known as the wife of a high official, she was naturally besought by her friends for her good offices. Thus she did what others in her position would do under similar circumstances.

That the second Mrs. Kuo is but a victim of circumstances goes without saying. Nowadays, it is an open secret that the short-cut way to rise in Chinese officialdom is to curry favor of favorite wives or concubines of some influential officials. Many of our officials have emerged from nonentity to prominence largely through this route. Unless she is a woman of high principles, she can not be expected to turn down all the attractive offers of her numerous beseechers.

We are reasonably sure that the second Mrs. Kuo is no longer a darling to her official husband. With the loss of his love has also gone her influence over her husband. Otherwise, her husband can hardly have nerve to raise a cry against her, if she openly accepts bribes or lends her influence to her friends. If she wishes, she can even go to such an extent as to instruct her husband to replace the poor magistrate of Wusih with some one who knows how to curry the favor of the wife of his superior officer.

Unless Mr. Kuo can produce substantial evidence to support his charge against his second wife, his present action must be construed as a subterfuge to sever his matrimonial relations with his "extra" wife. With two women both claiming themselves as his legal wives, he must have great difficulty in keeping peace over his family. Therefore it is only natural that he should seek the first opportunity to escape out of this matrimonial entanglement.

The tolerant attitude shown by the second Mr. Kuo toward her bigamous husband goes too far for sympathy. If she ever had a cause of taking action against her husband, she should have taken it immediately upon finding that she had been cheated into marriage. Why should she defer her action until she discovers that she is no longer loved by her husband? In permitting herself to live with her husband for about three years under the ridiculous name of the second Mrs. Kuo, she certainly does not appeal to us as a woman having any sense of honor and decency. Her present action is rather a measure of revenge than a means of extrication from this matrimonial entanglement. Thus her present plight will be ridiculed instead of being sympathized with by the public.

At the End of His Rope

As a result of the wide publicity given to his case, Mr. Kuo is now literally at the end of his rope. Beside facing two charges made by his two wives respectively against him, he is also confronted with an impeachment made by the Supervisory Yuan. Is is feared that he will not only lose his two wives, but also his high official post.

To all intents and purposes, this scandalous case gives but a bird's-eye view of the present Chinese official life. In it there is nothing new or unfamiliar to us. It is quite common that wives or concubines of some high officials should accept bribes and "sell" public offices. Neither is it strange that a few of our officials should keep more than one wife and a harem of concubines. What interests us is neither the charge of bribery nor that of bigamy, but the very essence of our official life, which needs an immediate and complete overhaul.

In discussing about this scandalous case, we can not help turning our thoughts to the present New Life Movement, which has been initiated by Genral Chiang Kai-shek and which is now very popular throughout the country. We have been repeatedly told by the sponsors of this movement that our lives must conform to the spirit of four old Chinese virtues: "Li", "Yi", "Lien", and "Chih". They stand for: Good manners, righteousness, honesty and consciousness.

It seems to us that these four old Chinese virtues have a special application to official life. To keep more than one wife can not be said to conform to the spirit of Good Manners and Righteousness, while to accept bribes either by officials or their wives or concubines is evidently against Honesty and Conscientiousness. If the officials themselves can not live in accordance with the spirit of these four virtues, how can it be adopted by the common people who look up to the official life as their model?

We would like to suggest that if Kuo Jen-fa is really guilty of bigamy, and his wife, of bribery, they should be severely dealt with by the law without mercy. The just punishment inflicted upon them would serve as a fit warning to those officials who would not be content with the keeping of one wife and also to those women who are ready to sell the influence of their official husbands for a monetary consideration. Unless drastic action can be taken to deal with such cases, the decline of official morality can not be arrested, and present New Life Movement will lose its meaning to the people.

It is hoped that the sponsors of the movement, instead of telling the common people how to conduct themselves, should first draw up codes of conduct for all the officials, high and low. We can not establish an "honest and clean" government, unless we first clear this "Augean Stable" and kick out all these bigamous and corrupt officials from their offices. The present New Life Movement will not impress the people very much, if the officials themselves can not first emerge from the corrupt life and adopt a "New Life." When all our officials can live in accordance with the spirit of the aforesaid four Chinese virtues, their example will be instantly followed by the common people.

Shanghai, April 9, 1934.

Sidelights on the Forthcoming Russo-Japanese Conflict

(By the Review's Harbin Correspondent)

A CERTAIN news agency took great pains in informing us that a certain French writer of considerable fame had written an article in a leading Paris journal to the effect that in the event of the Soviet-Japanese war the Japanese Army would "lick" the Red Army. At this conclusion he had arrived through a "careful" study of conditions obtaining in Japan and Manchuria, where he spent two weeks sojourning and obtaining first hand information. This startling conclusion he drew from the fact that, in his opinion, "the Japanese Army is the strongest one in the world," and also because "the Japanese soldier is famous the world over by his endurance tests, being able to make 40 miles a day on a handful of rice." of which he was himself an eye witness while inManchuria.

I happen to have no fame at all, but, having made no less careful study of conditions obtaining in Manchuria, can not accept the conclusions of the French writer at their face value. It seems to me that he had formed his opinion too hastily, without a proper study of all problems involved. If we are to give an opinion as to which of the two given things is the strongest one, is not it prerequisite that both the things should be within our reach? In the present case, the French writer supposedly knows only one thing of the given two—the Japanese Army, whereas another one—the Red Army—seems to be a complete *terra incognita* for him. At any rate, the report does not state that he did visit Soviet Russia, nor does it say that he was allowed to make a survey of the strength of the Red Army. Even in case of the Japanese Army, it is highly problematical as that he knows what does know much about the actual strength of the army. It is highly doubtful that the Japanese General Staff, always jealous of its secrets, had revealed to him, a mere civilian and a stranger, everything that constitutes the strength of the nation's fighting power.

The old saying about the "ability of the Japanese soldiers to make long marches on a handful of rice" seems to be so hackneyed and worn out as to be absolutely worthless in a serious discussion, although the Japanese still like to hang to it, especially when talking with the foreigners. In the present case, the writer has entirely forgotten the enduring power of a Russian soldier, or, perhaps, he does not know the Russian history at all. If he will take the trouble of studying that history, even within the scopes taught in middle schools, he will no doubt be amazed to know that there are, in fact, a few nations in the world so warlike as the Russians. The whole of their history seems to be constituted only of wars and campaigns, both minor and major, and practically with all their neighbors. In fact, it was a bad Czar, who had no war at all, and such Czar in modern times was Alexander III, the father of the late Nicholas II. All the rest had at least one major war, e.g. Nicholas II—two major wars, Alexander II—three wars, Nicholas I—two wars, Alexander I—one, Paul I—one, Catherine the Great—three, and so on if we are to count from the present time backward. Turkey seems to be Russia's age-long enemy, for every Czar had to fight with her. Incidentally it should be remarked here that only with China alone the Russians lived happily in peace during the entire length of their history, the Boxer Trouble being only one exception. Japan they happen to know only for about sixty years, and during that time they already had one major war. Now they face another one.

The Signs of the Impending Conflict

If the travelling in a strange land for two weeks is a sufficient qualification for writing about it in a leading journal, with a view to having a willing audence, then the correspondent, placed in that land for the specific purpose of recording men and events, and who has lived therein for years, making a careful study of events happening around him, certainly must have a hearing. This seems to be especially obvious because, nowadays, the Soviet-Japanese war seems to be on everybody's lips, discussed in the farthest corners of the world, and often by persons apparently least qualified to speak about it. Hence I venture to take up obviously a dangerous task of stating the signs by which, in my opinion, we may judge that the talked-of Soviet-Japanese war is near at hand. I am also impelled to do it because all those, who have attempted to set a certain date for its breaking out, seem to have not taken into account certain specific conditions, which no careful observer can possibly afford to do.

First of all, it should be stated that I am not a believer in a sudden appearance of *casus belli*. *The* era of wars brought about by a mere caprice of rulers, or similar uncontrollable incidents, seems to have passed long ago as to be forgotten entirely. In the present case, that the virus of war exists it is undeniable; the differences between the Soviets and Japan seem to be too great to exclude any possibility of peaceful neighborly living for any length of time. Having established this premise, it is no difficult to infer that there must be *the pretext of war*. And we must admit that the Japanese are great inventors of such pretexts. The "bombing incident" of September 18, 1931, at Mukden, and the "shooting incident" of January 28, 1932, at Shanghai, are sufficient postulates for arriving at such a conclusion.

Whenever possible, the Japanese like to allude to the extreme excitability of their national character, especially if it concerns the national honor and pride. They say that in a fit of such vehemence they are apt to do anything, even to bring about war. I am not a believer in this argument, either, because it has already been proved by facts that, when compelled, the Japanese can endure pretty long any disgrace. Greasy Bolshevik fingers had already snapped right before the Japanese nose, as seen from the publication of allegedly false documents of the Changchun embassy relating to the plans of the forcible occupation of the C.E.R., and also from the pretty bad names the Soviet offiicals had been using for some time about the present day Japanese rulers.

The argument of national honor or pride as being a cause for war seems to be too illusive, sham, and visionary; it can serve only as one of pretexts for justifying the war upon a neighboring nation; the real causes of war lay deeper, namely, in economic, political, or cultural differences among the nations. And the Japanese have the least right to speak of honesty and pride as their national traits. To wage wars without declaration, to bomb sleeping towns, to break down international pledges with the seals of the Son of Heaven affixed thereto, cannot be named honorable and lofty actions; they are too palpably self-evident samples of extreme dishonesty, baseness and rascality.

Having thus stripped the whole problem to its bare essentials,—to the causes and pretexts of war;—we may now endeavon to find an answer to the question, are the Japanese ready for the Soviet-Japanese war?

And I must emphatically say that they have not been thoroughly ready for this war, though they are rapidly becoming so. This, in my opinion, explains the fact why peace still exists in relations between the two nations. That they have not been ready for war with the Soviets may be conceived from the following facts:—

(1) They have not yet consolidated their position in Manchuria. Though they have won a major battle against the Chinese loyalists,—whoever they are, true patriots or mere bandits,—it cannot be admitted that they have succeeded in pacifying the country and placing the Manchukuo administrative machinery throughout the entire length and breath of the country. The Manchuria banditry is not only a mere resentment of the population against the alien rule; in has its own, very deeply seated, causes; and, lastly, it has proved its virulence (if interested, the reader will do well to acquaint himself with may studies on Manchurian banditry appearing in *The Review* for March 17 and April 7, this year).

The much talked-of Manchukuo-Japanese economic bloc is, for all practical purposes, mere talk, and many years of strenuous labor will have to pass before it begins to bring actual results. So far Manchuria has proved to be only a graveyard for none too plentiful Japanese capital! Foreign investors, notably the Americans, Britons, and Frenchmen, so far sit with their purse strings tightly drawn till the cloud over the future is raised, if ever.

(2) A year ago I wrote that, being careful strategists, the Japanese would not dare to begin war with the Soviets without first completing the three outstanding strategic railways—the

Chinese Government Railways

Shanghai-Nanking and Shanghai-Hangchow-Ningpo Lines

From Shanghai to Nanking: 311.04 Kilometers

From Shanghai to Hangchow: 189.57 Kilometers

The Shanghai-Nanking Line extends from Shanghai, one of the greatest seaports in the world, to Nanking, the seat of the Nationalist Government of China. Short as it is when compared with the other trunk Lines in China, it serves a rich and densely populated district of preponderant importance, politically, as well as commercially and industrially. The whole Line is dotted over with points of known scenic beauty too numerous to be all mentioned here. Tourists and travellers should utilize the train service of this Line at least to visit Soochow, known as the "Garden City of the Orient," Wusih, the picturesque city on Lake Tai-hu, Chinkiang, the "Gate of the Yangtze River," and Nanking, a city rich in historic remains with the new grand Mausoleum of modern architecture for Dr. Sun Yat Sen, Founder of the Chinese Republic.

The Shanghai-Hangchow-Ningpo Line runs southwestward from Shanghai through a tract of beautiful places. At Lunghwa one will see the famous Pagoda with a long history attached to it; at Sungkiang, the observatory of the French Fathers at the summit of Sha Shan and the grave of General Frederick Ward; at Kashing, the South Lake and the Three Pagodas situated about two miles from the station; and at Hangchow, the present terminus of the Line from Shanghai, the renowned West Lake which called forth highest praise from Marco Polo, with such picturesque surroundings that it has been well called the "Switzerland of China." Tourists! A visit to Hangchow by the comfortable trains of this Line will give you the utmost satisfaction of travel and untold pleasure of sight-seeing.

For further information apply to the Traffic Manager of the two Lines at Shanghai North Station.

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Kirin-Kainei, the Lafa-Harbin, and the Keshan-Hailing railways. All these railways, together with a network of highways, have now been barely completed, so in this respect everything seems to be ready. If, however, they will show still further prudence, and postpone the war until the completion of the projected railways (the Yanki-Hailin,-Ilan, the Hailung-Haiho, and the Solun-Hailar railways), all of them of extreme military importance, then we may safely say that there will be no war for the coming several years. Then we may say that prudence has blended into fear.

(3) The international isolation of Japan seems to be so self-evident as not to require any lengthy elucidation, yet, as careful strategists, they cannot plunge headlong into a major warfare without first securing somebody's assistance. At one time they seemed to pin great hope on France, but since the radical leaders of that country have seemingly understood the true aims of Dai Nippon, this proposition appears to be no longer tenable. Of late, however, careful observers have detected some significant stir in relations between Germany and Japan. And the proposition seems to be not altogether impossible that, with a view to diverting the attention of major Powers and creating a virtual chaos on earth, they might agree to start some international trouble at one time, trying to gain their aims in the resulting tumult.

(4) Lastly, they have had to prepare their own population as well as the Manchurian population for war, for which purpose most blatant propaganda has been in full blast for many months. Special stress must be placed on the political preparation of the White Russian population in Manchuria, and said preparation has been in evidence here for the last six or seven months. For, as everybody will agree the war against Soviet Russia cannot be thought of without the participation at least of a part of the White Russian population in Manchuria. In the case of success, who will head a second puppet government in Siberia save the White Russians? This will explain the extensive activity of the recently created Leading Committee of All White Russian Organizations in Harbin, headed by B.P. Shiloff, the editor of the *Harbin Times*, a Japanese paper, and formerly of the *Zaria* and the *Shanghai Zaria*. Curiously enough, despite early promises, the new regime does not provide the White Russians with easy employment in governmental or railway offices; only as policemen or railway guards they seem to be welcome, which makes a decidedly gloomy color to the purpose for which they are being prepared.

Now we have come right up to the main question, when are we to expect the outbreak of war? A true answer to it is probably not known even to those half of a dozen "elders"—marshals, admirals, and generals—in whose hands rests the question of peace and war, and who constitute the innermost circle of the Satsuma and Choshu clans. They have reduced both the Supreme War Council and the General Staff to a mere formulating and investigating body, respectively. They hold in their hands the destinies not only of their own nation but that of the whole of the Far East as well. However, common sense gives us the following answers:—

(1) That it must be in the warm season, that is, either in spring or in summer, or in the season when the Japanese Army, Navy and Air Force can yield their destructive power in most quick and crushing manner. Because of climatic, topographic and other characteristics of Siberia, the operations in winter are thought to be not so successful as in other seasons. In winter, they cannot place the White Russian detachments with impunity along the Siberian coasts, and these operations are not likely to be so successful in winter as they will be in summer.

(2) That it must come before the completion by the Soviets of the double-tracking of the Trans-Baikal, the Amur and the Ussuri railways. To wage war at the time, when this work is half done, seems to be most opportune, because, in that case, not only will the Red Army have its communication greatly hampered, but—please take special notice of—then it will have some 60,000—80,000 convicts, working now on those railways, "bottled-up" permanently in Eastern Siberia. The double-tracking is being done solely by convict labor of "class enemies" of the Soviet regime. And the presence, in the rear of the fighting forces, of this huge army of starving, desperate, and beastlike unfortunates, ready to do anything rash would constitute a very big danger indeed. And I shall not be surprised at all, if, in initial encounters, the Japanese Army would not dash towards those railways with a view not only to cutting off the enemy's communication, but, also, to freeing those unfortunates.

The use of the convict labor, the ruthless terrorism of the ruling party, the widespread political spying, and hence general lowering of morals, are but a few instances out of countless dark spots of the Soviet regime. This situation is going to have grave consequences, especially in case of external aggression. That all is not well even in the Soviet fighting forces may be seen from the recent desertion of the two Soviet fliers, who landed in the Mishan district, and are now here. Inasumuch as these two pilots have turned out to be Whites, they are believed to have given out to the Japanese military all they know about the Soviet fighting forces in the Maritime province. The stir and tumult caused by it among the Japanese military you may well imagine. We cannot even for a moment lose sight of the fact that it is a corner-stone of the Japanese strategy in Russia that, as soon as the war breaks out, some internal dissensions will crop up among the Soviet fighting forces themselves, which in turn should immensely facilitate the ultimate distruction of the Red Army in Eastern Siberia at the hands of the Japanese. Taking into consideration all the facts we have I must say that this contention is not altogether groundless.

I have no data on the progress of the Soviets in the double-tracking of their railways, however, it may safely be assumed that in order to complete the task for all practical purposes they will have still to work hard for another year. If the Soviets succeed in completing their task before the war, the Japanese would do well not to make trouble at all—they are going to be "licked."

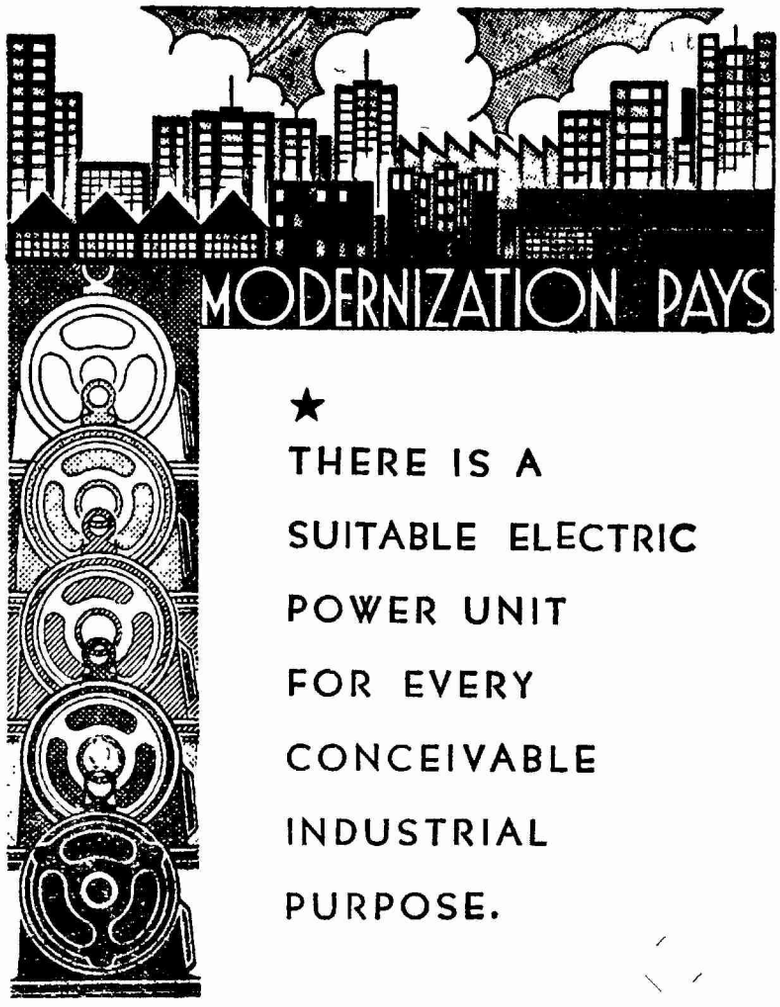
(3) That it will come in the bright and cloudless weather, preferably in the small hours of the morning, when the visibility from the air is supreme, and when the enemy is completely unaware of the approoching danger. The attack will be made suddenly, without any declaration of war, and by the combined forces of the Army and Navy, the latter laying off the Siberian coast in the vicinity of Vladivostok. The attack will be directed— so says common sense—first against the Soviet air bases so as to destroy those bases and the Soviet air fleet housed therein completely and at the start, and thenceforward to dominate in the air. I hope that everybody, even having a remotest knowledge in military sciences, will agree with me in this contention—it seems too obvious. When the enemy's air fleet is in the air the possibility of wresting the air supremacy becomes questionable. So, I believe the Japanese would repeat their usual tactics of attacking the enemy without any declaration of war, taking him completely unawares, so to speak. So they did in 1904, in 1920 (in Siberia against the Reds), and in 1931, and why should not they repeat it again? Thus they will act, because it will from the start give them "the initiative of action," so valued by tacticians, and which they had in the past used to full advantage.

That the longer the Japanese defer the war the remoter becomes their chances for success seems to be so obvious as not to require any comment. It appears to me that they had lost the finest opportunity of waging successful war on Soviet Russia, which presented itself in the spring of 1932, even 1933, when the Soviet Far East was completely defenseless and at the mercy of any invador. Believe it or not, this was due entirely to the activities of the Chinese volunteers and bandits in Manchuria, which problem turned out to be toughter to handle than it had been first imagined by the Japanese high command. Like the geese which saved the ancient Rome from invaders, so greasy Chinese bandits saved the Soviet Far East, nay the whole Russian nation from one of the gravest dangers the country has ever faced in modern times. I say "one of gravest dangers" because, in the event of Japan's victory over the Soviet Union that country will have to lose its outlet into the Pacific for ever; she will have to be content with the Arctic Ocean as a sole means of communicating and trading with the outside world; she will be brought, for all practical purposes, into the confines she had in the 16th century; or, in other words, all her work and sacrifice as a nation during these three hundred years of her glorious history will be brought to naught by a single master stroke.

About this I have not the slightest doubt. And it has been my amazement and disgust to see that there are some "leaders" among the Whites in the Far East who openly support the Japanese in all their schemes against Russia. It is beyond the power of my comprehension. On the other hand, it is also a matter of wonder why the Soviets, in the face of such obvious a danger, do not modify their internal policy, discarding the policy of terror and oppression.

All told, if the "elders" of Dai Nippon are really determined to chase the Russian Bear into its Siberian forests, they must do it right now, not later than the summer of 1935, and in the manner I have outlined. If Russia, this summer, will have bad crops, either as a result of the drought or any other cause, the sudden attack will be—in my opinion —almost a certainty. If they will defer it beyond 1935, they had better keep low, be nice, or they will be "licked."

Harbin, April 6, 1934.



Kailan Mining Strike Settled

The general strike declared by workers of the Kailan Mining Administration some weeks ago, was settled April 9 as the result of the negotiations in Tientsin between General Chu Shih-ching, representative of the Peiping Branch Military Affairs Commission, and the commander of the Japanese troops in North China. The workers resumed their work en bloc, but Chao Ta-chung and other ringleaders of the strike are still at large. A mandate was issued by General Yu Hsueh-chung, chairman of Hopei, two days previously urging the workers to resume their work unconditionally and ordering the arrest of the ringleaders. The action of General Yu, however, met strong opposition from the Japanese army in Tongshan who pointed out that any forcible action taken by the Hopei authorities to settle the strike would affect peace and order in Tongshan.

In the meantime the Peiping authorities have issued a warrant for the arrest of Chao, who is reported to be in hiding in the headquarters of the Tangshan Special Police. He is demanding that the Chinese authorities should pay him $20,000 as the price of his departure from Tangshan.

Headed by the labor agitator Chao a mob of over 600 strikers, armed with knives and other weapons, surrounded the Special Commissioner's Office April 4 to press for acceptance of their terms. The crowd did not disperse until the following morning when Tao Shang-ming, Special Commissioner for the Supervision of Administration of the Luanchow-Shanhaikwan Area and Special labor mediator at Tangshan, receive their representatives.

General Yu Hsueh-chung, Chairman of the Hopei Provincial Government, took stern measures for the settlement of the strike. In identic orders to Dr. Tao Shang-ming, as well as to the local Public Safety Bureau, General Yu ordered the immediate apprehension of the labor agitator Chao and his gangsters and the provision of adequat protection to the factories.

The strike situation at Tangshan had become worse at the end of last week, as the strikers threatened to destroy the local electric and water-works in case the employers delayed in complying with their demands.

According to a telephone message received in Tien.sin from Tongshan, two Japanese planes flew very low over Feng-jen district April 2.

General Chiang Kai-shek has issued a circular order strictly forbidding strikes and lockouts at the time of national crisis.

Military Powers Decreased Under Revised Criminal Code

Among the salient fatures in the revised Code of Criminal Procedure now being prepared by the Criminal Law Committee of the Legislative Yuan are the following:

Whereas, under the existing system, military men in active service are amenable only to the military courts for infractions both of the military codes and of the ordinary Criminal Code, under the revised Criminal Code they will be subject to trial by the ordinary Courts of Justice for infractions of the ordinary Criminal Code. It will also be provided that no civilians shall be subject to arrest or trial by any military organ for infractions of the ordinary Criminal Code. The revised Code also imposes more stringent restrictions upon the detetion of persons accused or suspected of crime. Detention will be permissible only when the evidence is conclusive against the accused or where the charges are of a particularly grave nature.

China's Predicament---Recognize Manchukuo or Lose Peiping?

BY C. Y. W. MENG (孟 憲 彝)

WHEN General Honjo was commanding the Japanese armies in Kwantung and Manchukuo, he on many occasions—including the time when the Japanese and Manchukuo official gave an entertainment in honor of the Lytton Commission in Chengchun when Dr. Wellington Koo, the Chinese Assessor to the Commission was also present—made it very clear that "Japan would send 200,000 to 250,000 soldiers to help Pu Yi to enter Shanhaikwan"! In February 1933, most observers in North China were already informed that Japan would take some military action again in north China sometime in March or April of 1934. Sometime ago, we were informed by some old residents in Manchuria who were in Shanghai a short time ago that the real aim of the Japanese in brief, is to remove the Manchukuo capital to Peiping and to remove the Japanese capital to Mukden; and that Japan would incorporate many more Chinese territories and provinces into Manchukuo, including Outer and Inner Mongolia, Northern Provinces, and Shantung, etc. to form a big Buffer State between China and Japan, and that the Japanese policy throughout has been to demilitarize many Chinese strategical places one after another, thus disabling the Chinese from taking up arms against Japan, and to enable and to give the Japanese rest and more time to prepare for further military actions in North China. What we have predicted and observed is now all true.

After a year of rest since the Tangku Agreement, the Japanese are in a position to start again their military actions. It is not necessary for us to relate here that the situation in the North is again very critical. Dr. W. W. Yen, the Chinese Ambassador to Moscow, now in Shanghai, in his speech, reminded us that the situation in the North is pregnant with many possibilities of danger, and consequently he appealed to the Chinese for unity within. Chang Chi, a veteran member of the Kuomintang also said the situation in the North is critical and that grave dangers are lurking everywhere. Tang Yu jen, Vice-Minister of Foreign Affairs, declared that the situation in the North was not serious but hopeless. Most editors of daily newspapers have come to the conclusion that the fatal night of September 18, 1931 will repeat itself in North China.

Of course, we could not take cognizance of the official accounts or the speeches, statements, etc. of the Chinese officials, who are always very optimistic, assuring us that "the situation in North is not so serious as reported," and who are always accustomed to issue statements or denials for home consumption, but which could only appease the most ignorant farmers. So, the seriousness of the situation in the North is also denied by General Huang Fu and other officials.

As we pointed out before, the present Japanese policy is to conquer China first, and to deal with Russia next, so that the Japanese action in China may be summed up as follows:—

1. By offering many inducements to the Chinese officialdom: By this, we mean that Japan is willing to talk very much about friendship with China; is willing to make many promises of Sino-Japanese close co-operation or alliance; is willing to lend to China huge loans one after another without security or interest for China's internal reconstructive purposes; is willing to abolish extrality in China, etc. But underneath there is only one Japanese demand—that is, the Chinese *de facto* and *de jure* recognition of Manchukuo. So on one hand. Japan is offering many inducements to the Chinese, but on the other, Japan is bringing strong pressure to bear upon the Chinese authorities to yield to the Japanese one and only one demand —the recognition of Manchukuo.

2. By "buying over" the Chinese traitors and instigating them to create trouble in the territories, such as Tientsin, etc., which the Japanese intend to invade and occupy. This is necessary, because the Japanese would like China to give them some "cause of action." We understand that the present Kailan Mine Strike, which is still spreading is, as is pointed out by the local officials, not an ordinary dispute between employers and employees where the latter demand for nothing except increase in wages, decrease in working hours, and better treatment; nor a riot instigated by the communists, but it is a riot due to the agitation of "certain foreign interests" "with some definite motive."

3. By taking military actions: Failing which, the Japanese would take the last action—that is armed action, invading and occupying Chinese territories.

Nanking in Predicament

For sometime past, negotiations between the Chinese and Japanese authorities have been going on over the retrocession of the many "passes" and territories lost to Japan, but report has it that problems like the restoration of through rail traffic between Peiping and Mukden and postal service, etc. were also discussed. On learning this, Nanking was somewhat alarmed, and Tang Yu-jen, the vice-Minister of Foreign Affairs, was at once dispatched to Peiping to stop the negotiations. Nanking apparently realized that such are "political" problems which, according to the decision of the C.P.C. (Central Political Council of the Kuomintang) were not to be taken up without express instruction from the Council. But this had put General Huang Fu in a very difficult position. On one hand, the Japanese were pressing him for negotiations over these problems. On the other, the Nanking instruction did not permit him to go on with these negotiation. So at one time, his resignation was rumored. So he was once sent to the Peiping Medical Union Hospital for "an operation on his nose"—the usual way for Chinese politicians to get out of difficulties declaring themselves sick in the hospital before retirement is granted.

Apparently, the Japanese have now found that the Chinese are not willing to make promises, and that the Japanese at present do not know with whom they should negotiate over these problems, so the Japanese militarists are now determined to take up the last resort—that is, by taking the military and "free" actions. That explains why the Japanese have been very busy for the past weeks in transporting troops and ammunitions to the North China. General Huang's trip to Nanchang is only to report to some of Nanking's high officials about the Japanese "imminent march to Peiping!" That is his sole mission of his trip to South!

Japanese Further Demands

The Japanese military authorities are said to have presented further demands to the Chinese authorities that the latter should send some troops to protect Henry Pu Yi when he comes in to worship his ancestral tombs, adding that, failing this, the "Japanese would send troops to protect the new emperor!" The Japanese minister to China is said to have pressed Nanking for "an answer"—"recognition or non-recognition"—before he would depart for Japan. The Japanese military authorities have also made it clear to the Chinese authorities that they would not hand back any of the "passes" or territories to the Chinese, unless the latter agree to the Japanese demand to restore the rail and postal services between China and Manchukuo.

Reasons for the Japanese Actions

To the Japanese, their action is not without reason. The necessity for the Japanese to compel China to recognize Manchukuo before the convention of the next Disarmament Conference" or "Another Washington Conference" was already emphasized by an editorial in *The Review* dated April 7. But there is another reason for the Japanese action. Through the efforts of some leaders, Nanking and Canton cooperation is to be a reality. The southern military leaders are said to be issuing in the near future a "joint telegram" pledging their loyalty for internal unity. The communist-suppression campaign in Kiangsi is making rapid progress, and it is said that the whole campaign may be ended by the end of this summer. But the bright internal political situation in China is not always pleasing to Japan. The brighter the political situation in China is, the more aggressive is the Japanese military action in north China. Japan never likes to see a united or peaceful China; for that would defeat the Japanese propaganda that China is only a "geographical expression." Japan always cherishes the idea that the existence of Japan is conditioned upon the weakness and disorganization of China. Japan knows well that after putting her own house in order, China would sooner or later take up the Manchurian problem with Japan. So Japan deems it necessary to conquer China before China could take up arms with Japan.

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China's Short-sightedness Blamed

This probably sums up briefly the whole situation in the North. Whether China would eventally yield to the Japanese demand to accord a *de facto* recognition to Manchukuo or would prefer the loss of Peiping, we do not know. What we want to point out is that Japanese action is organized and "systematic," and as any layman can see through the Japanese intention, China should know the probable Japanese action and should take action in advance to cope with the situation, rather than to meet the situation when it is already a reality. At present the situation facing the Chinese is rather whether China would go to war with Japan, or do one of these two things; Recognize Manchukuo or lose Tientsin, and Peiping. The present situation is one of the most serious, critical and hopeless, that human history has ever recorded, but it is entirely due to the short-sightedness and weakness of the Chinese officials themselves.

Nanking, April 7, 1934

American Cotton Envoys to Visit Japan and Manchukuo

The Manchuria Cotton Growers' Association has received information that a party of cotton envoys from America is visiting Japan and Manchukuo during this summer. The envoys are to sail from Galveston, Texas, for Japan on June 2, on the first cotton transport steamer, travelling via Panama. They are expected to stay in Japan for about three weeks, and later proceed to Manchuria. Anderson, Clayton and Co., one of the largest raw cotton firms in America, is backing the proposed cotton mission.

Japanese-Netherlands Parley to Be Held in Batavia

Minister Taketomi in an interview with the Netherlands Foreign Minister April 4 formally notified Japan's acceptance of the proposal made by the Netherlands Government for a trade parley between the two countries at Batavia.

The Japanese Privy Council at April 9 organized an examining committee of seven headed by Baron Masaaki Tomii, to deal with the treaty in connection with an agreement and arbitration trial between the Netherlands and Japanese Governments, aimed at a judicial solation of problems between the two chuntries.

The *Yomiuri* comments bitterly on the exclusionist and anti-Japanese attitude of the Dutch Govetnment. The oppression of Japanese goods in the Dutch Indies has been growing more severe of late, says the Tokyo journal. It is bruited that the crafty hand of Britain is at work in the background of this unreasonable attitude. This allegation may or may not be true, but it is at any rate conceivable that that weak attitude adopted by the Japanese Government in the Indo-Japanese negotiations in making easy concessions to the British and Indian side has encouraged the feeling in the Netherlands Government that Japan is easy to deal with, the *Yomiuri* says.

The alleged pressure brought to bear on Japanese commercial interests in the Netherland East Indies was the subject of heated discussion at a joint meeting of the four leading commercial organizations in Japan April 5. While expressing absolute opposition against the adoption of the "barter" system, resolutions passed by the meeting voiced the readiness of the Japanese commercial circles to exercise export control over Japanese commodities destined to the Netherlands Indies.

Tokyo to Deal with British Colonies Direct

Koki Hirota, Japanese Minister of Foreign Affatrs, is planning to send special representatives to each British colony for the purpose of dealing with general diplomatice questions as they arise. The Japanese Government takes the view that it has encountered inconveniences in its diplomatic negotiations with some British colonies owing to the fact that many of these negotiations had to be carried out througn the Colonial Office in London.

Japanese Cotton Goods Flood Central China

The Executive Yuan is in receipt of a communication from the Bandit-suppression Headquarters, for the provinces of Honan, Hupeh and Anhwei, stating that according to the petition of the Hankow Cotton Manufacturers' Assoiation, large quantities of Japanese cotton goods have been dumped on the local market. Investigations show that over 80 per cent of cotton commodities in that market are of Japanese manufacture.

Salt Conference Comes to a Close

The National Salt Conference, after adopting a number of resolutions for the readjustment and improvement of the salf revenue system, closed its meetings April 7. The more important proposals adopted include the gradual abolition of the system of salt certificates, redemption of the $8 million loan for the salt districts in the Huai River Valley, and enforcement of the new Salt Law which calls for unification of the system of salt transportation and stricter measures to curb salt smuggling. Chu Ting-chi, Chief Inspector of the Salt Revenue Administration, reported the results of the Conference to Dr. H. H. Kung, Minister of Finance.

Can China Go Fascist?

BY VICTOR LU

BOTH as a political theory and a plan of statecraft Fascism has become the vogue to-day. Great as well as little nations such as Italy, Germany, and Portugal have gone in for a try-out of its concomitant scheme, the Corporate State. Much literature has recently been brought out concerning the study of its attributes and developments. "Can Fascism come to England?" "Is America ripe for Fascism?" "Is Japan a Fascist State?" Questions such as these have been raised and answered. Thus Fascism has become an attractive, though no less puzzling, problem for the political-minded.

We should not be much concerned with these inquiries, were it not for the fact that this new socio-political fad remains no longer as a purely European issue; its influence is growing world-wide. Affecting more or less the governments of the major countries throughout the world, it is beginning to serve also in Japan[1] and China as a political basis to rally partisans. In these countries Fascist-minded people have already entered upon public contests, though just in an initial stage, for the winning of political power. Newspaper dispatches have occasionally brought to light the work of the Chinese "Blue Clothes Society" in Nanking, Shanghai, Hankow, and Canton[2]. As reported on November 13, 1933, members of this society "made their first debut" by staging mass meetings, distributing pamphlets, and raising riots, advocating Fascism and denouncing Communism[3]. And it is alleged that this organization seeks as its main object a grip on the government with the establishment of a dictatorship. It will be, therefore, of interest to moot still another question,—Can the Chinese Government turn Fascist?

We may begin inquiry into this question by observing appropriately at the outset certain similarities and differences in structure as found between the Chinese National Government and those under the European dictatorships. The Fascist government is a hierarchy, topped by only one leader. Solitarily eminent and responsible to no one, he represents the "Nation, State and Party[4]." Then between the functions of the European dictators themselves one finds further parallels and contrasts. Signor Mussolini is the chief not only of the Government but of the Fascist party. He has until recently held the important Cabinet posts in his hands[5]. Hitler, although being Chancellor, has been more of a party worker than an administrator, as he prefers to leave the management of State affairs in the hands of others[6]. Both the leaders are self-appointed and, being creators of their own parties, they have personally led their men to victories[7]. But Stalin is different from them. Professing to be the disciple of Lenin, he has to stand well with the Communist party, and his power is largely attributable to its support and acquiescence. He only holds memberships in the Council of Labor and Defence and in the Committee of Fulfilment. Then all important decrees in the U.S.S.R. are signed jointly by him and by the President of the Council of Commissars, and sometimes issued by the Communist party alone[8].

The structure of the Chinese National Government is in some respects like those of the Soviet and German Governments, but in others quite unlike them. It is no doubt also a hierarchy, based upon the one-party rule. It has copied the Committee system from Soviet Russia[9]. Neither are its present leaders creators of the Kuomintang; they profess to be just disciples of Dr. Sun Yat-sen and prosecutors of his works. Being appointed by the party to the Committees which exercise the highest powers over the Government, they act on behalf of, and with responsibility to, the Kuomintang Congress. But the hierarchy in the Nanking Government is not so rigid as that under the Italian and German dictatorships; nor is it crowned by the towering pedestal of one leader alone. Stalin acquired such a supremacy in the Soviet Government that he could have Trotsky exiled without much ado. And he did this just by virtue of his office as the secretary to the Communist party[10]. But no leader in China, whether he is a veteran Kuomintang member or a hardboiled militarist, can dominate the Government and get rid of his rivals in so facile and summary a manner. Even a victory which he may gain at the price of much bloodshed cannot ensure for him the elimination of opposition or rebellion for any length of time.

The striking feature of the Chinese National Government is its arrangements for joint leaderships, such as have been improvised from time to time in order to tide over political crises. Ever since the Revolution of 1911, political leadership had been swung on the recurrent game of substitution, and the result was that one leader could achieve pre-eminence long enough to accomplish things. With the establishment of the National Government, the Kuomintang has assumed the power of tutelage, and the Government has become the instrument of the one-party rule. But for the last few years, Nanking has been adopting the tactics of admitting all the leaders into its fold in order to conciliate its enemies. Consequently the Government has been actually not in the control of one leader, but, by providing a scope for many talents, its power has been diffusedly and delicately distributed and balanced. The Committee system set up after 1928 is a typical example, the Central Executive Committee, the Central Political Council and the National Military Council being composed of almost all the important leaders of the party or the army. Legally it is required that all the national decrees must have the approval of the Committee or the Council. Thus leadership in the National Government has become composite on the basis of regional cooperation and joint responsibility.

This is not to say, however, that such a system of government can prevent altogether leaders of extraordinary calibre from coming out on the top of it. Indeed, as has been alleged, the one-party rule has been compressing itself into a triumvirate. It is only the two or three leaders that have become the fountain of authority for initiating the timely needed executive measures with much let or hindrance from the redtape bureaucracy or constitutional formalism. But what is to be stressed here is that the Government, handicapped by many checks and balances, which have been occasionally upset by threats of civil wars, has failed not only to make for the unity of the party, but also to "boost" any one leader to the position of coping with the national crisis with unity of authority and decisive action[11].

It is admitted on all hands that the strongest member in the Government is the present Chairman of the National Military Council. Yet even he has not been allowed such a full scope of absolute power as would be commensurate with the national needs of the day. For a time from 1930 to the end of 1931, General Chiang Kai-shek was in the strongest position, holding the Presidency of the National Government and then concurrently the Presidency of the Executive Yuan. But since then, largely owing to the minor militarists and disgruntled politicians, he has been shorn of these vestments of authority, till now his office is limited to military affairs. Thus not only his energy has been tied up with prosecuting the Communist-suppression campaign, leaving the management of the Government in weaker hands. But also his poliitcal efforts have been largely wasted in dealing with the recurrent game, as played by the regional war-lords and malcontents, of jockeying for vantage and bargaining for power[12]. This has been the situation which culminated in the recent independence movement in Fukien. Being repeatedly confronted with adverse conditions, he thus has veered round to a more and more conciliatory attitude for the sake of averting political jolts and splits. This also explains partly why, with regard to some of the

1.—"Fascism Lures Japan." Bunji Omura, Current History, March 1934.
2.—"Blue Clothes Society," Peking & Tientsin Times, August 7, 1933.
"Blue Shirts Said at Work in Canton," Hankow Herald, August 7, 1933.
"Blue Shirts said at Work in Canton," Hankow Herald, August 16, 1933.
"Cantonese Obstructionists," Hankow Herald, September 10, 1933.
3.—"Chinese Fascists Come into Open," Shanghai Evening Post & Mercury, November 17, 1933.
4.—"Colloqui con Mussolini," Emil Ludwig, Shanghai Times, August 17, 1932.
5.—6, 7 & 8 "Stalin, Hitler, and Il Duce," Moscow, August 18, 1933; Shanghai Times, October 3, 1933.
9.—Reuter & Central News, Nanchang, March 1; Special, Nanchang, March 8, Hankow Herald, March 4, 1934.
10.—China Critic, Vol. VII, No. 6, February 8, 1934.
11.—Reuter, Peiping, February 26; Peking & Tientsin Times, Feb. 27, 1934.
12.—"Threat to China's Strong Man," etc., Current History, Jan. & Feb., 1934.

domestic and diplomatic issues, he has tried to play safe, seemingly lacking in dictatorial boldness. Unlike Mussolini or Hitler, he simply would not dictate his own terms, in spite of the growing public sentiment strongly in favor of his doing that.

We have timely indications of this, when more than twenty city and provincial Kuomintang branches in both North and South China recently petitioned the Central Kuomintang Office for a complete reorganization of the party with the appointment of General Chiang as "Tsung-li" (Director), thus abolishing the Committee system[13]. Though reputed to be the strongest leader in China, it seems, General Chiang is not willing to assume what may be taken as a dictatorial office, as shown by his declaration elicited by the petition. Intimating that the system of Italy or Germany is not applicable to China, he made known explicitly his objection to any scheme calling for a party dictatorship. His plea was that the success of the Chinese Revolution should be sought through the heart and spirit of leaders with the support of the people, rather than through the imitation of any particular system or form of government. What he regards as the supreme need of China to-day is the union of efforts and hearty cooperation among the leaders.[14]. So, after all, we have been reassured by one who is in power and also in the know with the very antitheses of the dictatorial thesis.

Furthermore, none of our leaders even up to now is willing to vouch for what has been openly acknowledged by the Fascists: the need of national unification by force. In the circular telegram recently issued jointly by President Wang Ching-wei and General Chiang, they still denied, for the purpose of dispelling misgivings, that the Government had ever intended to unify the country by military force[15]. Thus we have had another reassurance from the Government baffling the most logical reasoning; for the collapse of the Fukien revolt clearly pointed out the necessity of military coercion for the suppression of political secessions.

As a one-party rule, the Kuomintang Government has an inherent element of weakness and instability. Its supremacy can be maintained only through a complete harmony between the Government and the party. And this nice relation can be effected, only if there is perfect unity among the leaders, or one of them dominate over the rest. It is the latter condition which has made the Italian dictatorship stable. As a result of adjustment through a long lapse of time, there has been between the Italian Government and the Fascist Party a complete fusion, which no personal rivalry of its leaders will for the present disturb abruptly[16]. The Hitler regime in Germany, however, cannot claim quite the same advantage. As it is comparatively a new movement, it it quite possible that its dictatorship may be endangered by a wrestle for power among some of its strongest leaders. This contingency is bound to happen when there are in the Hitlerites' dictatorial drama more than one leader who are so egoistically inclined to show off in the limelight[17]. It is not surprising, therefore, that even before Hitler quits the scene there has already been reported a steadily-widening rift between the Chancellor and General Wilhelm Goering with regard to several foreign and domestic policies[18]. When such a clash of wills intensifies, it will in all probability lead to either the split of the National-Socialist Party or a conflict for supremacy between the party and the Government[19].

Now it is more or less the similar unpleasant contingencies which have been facing the Chinese National Government. The personal rivalries among the leaders of the Kuomintang and of the army have many times threatened the disintegration of the party. And this has produced its repercussions in disturbing the free and peaceful flow of authority from the party to the Government. Then the striving for supremacy between the two ensues. As this conflict hangs in the balance, it results in obstructing the exercise of power by the Government, thus making anything like a dictatorial

18.—Reuter, Peiping, Feb. 26; Central-China Post, March 1 & 8; Hankow Herald, March 3, 1934.
14.—Reuter & Central News, Nanchang, March 1; Hankow Herald, March 4, 1934.
15.—Reuter, Nanking, Feb. 12; Kuomin, Nanking, February 13, 1934.
16.—17, 'Stalin, Hitler, & Il Duce," Moscow August 18; Shanghai Times Oct. 3, 1933.
18.—Reuter to North China Daily News, London, Jan. 27, 1934.
19.—"Stalin, Hitler, & Il Duce," Moscow, Aug. 18; Shanghai Times, Oct. 3, 1933.

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leadership impossible. The only way-out is for the Government to try to dominate over the party through a thorough suppression and elimination of all opposition. But it takes a long time to bring this about.

There have been, however, several signs to show the Government taking on the substance as well as the form of what is called "Authoritative government." In many respects the Government has emerged stronger and more centralized than ever. Certain measures, such as the negotiation for the Tangku truce and the contracting of the American cotton and wheat loan, were carried out on its executive initiative without much let or hindrance from its legislature as constitutionally provided. Summary exercise of executive authority like this, however timely beneficial for the country, has been criticized as dictatorial by its Southwestern opponents[20]. Another conspicuous action on the part of the Government was the repeated postponement of the Fifth National Congress of the Kuomintang, which has been regarded as showing the overruling influence of leaderships over the unwieldiness of the party-rule. The tendency of centralization has also been indicated in the amalgamation of the duplicate organs of the Government. For instance, it was proposed to combine the Ministry of War, the Directorate of Military Training, and the Headquarters of the Chief of Staff into a single body under the control of the Military Affairs Commission, so that centralized authority over military affairs might be realized[21].

But of greater significance for the extension of the Government's authority has been the enlargement of the National Economic Commission. Intended to serve as the central, coordinating and technical organ for the purpose of of regulating all the key industries of the nation as well as supervising the execution of all measures and projects relative to national construction, this commission marks the first thorough attempt on the part of the Government to go in for economic planning under State control. As is being done in Russia, Germany and Italy, so the Chinese Government has begun to superimpose its authority on the economic system of the nation.[22] As in Europe and America the determination of national economies has been largely dependent upon more or less a dictatorship, so in China at least a stable and centralized government is the pro-requisite for the achievement of this object.

The keynote of the Government seems to have been struck by T. V. Soong when he declared in his Double-Tenth message [23] "To-day we can no longer be so certain of the permanence of democracy. What the people are looking for is a united program and a leadership strong enough to carry it out. To this end we are willing to subordinate all the other aspirations." Such an official announcement brings us back again to the original question: Is such a leadership forthcoming in China? Its answer would be still something for the near, if not distant, future to reveal. As an ineveitable evolution, the socio-political conditions as well as theories are gradually crystallizing themselves into a groundwork in preparation for the coming of national leaderships. In the opinion of Professor T. F. Tsiang, an absolute government under one great leader would be the most expeditious and economical solution for China to-day[24]. The immediate advantage of such a government, if it be possible, as a transition from the semi-feudal state of civil wars to national unification and reconstruction seems evident to everybody.

Another certainty, however, still remains and that is,—any strong leadership to be a political success in China has yet to overcome those physical and political forces still besetting its path, and nullifying its efficaciousness. It has also been affirmed by another scholar, Ching-chao Wu, that China is still undergoing the second stage of personal rivalries of the militarists[25]. So, even just for the Government to be stable, it still has to pass through the crucial tests of contending with the centrifugal and revolting forces which are still going strong and of which the Fukien independence movement has given one more instance. Needless to say, such a timely revolt has been an excellent test for the real strength and power of the National Government. As Nanking did crush the former revolts, so has it again put an end to this recent one as quickly as it arose. And with the Fukien debacle one may reasonably expect that Nanking with its strong leaders will take a long stride forward to strengthen and consolidate further its position[26]. But unless these revolts or secessions stop to be forthcoming in the future, the prospects of a strong central government will not be bright.

So the problem facing China now is not whether a dictator can come out to run the show, but how the Central Government such as it is can be made more stable and centralized. Now that the Fukien movement has broken down, it would be auspicious for the adoption of some prophylactic measures. Indeed, several proposals have been put forward for the reorganization of the Central Administration with that end in view. Perhaps, as done in the Hitler regime, the "leader" system for the Kuomintang may be established with the election of General Chiang as its "Tsung-li"[27]. Then both the political and the military power of the whole country should be concentrated in the Central Government under one uniform system in substitution of the present semi-feudal state[28]. Especially will it be fitting and proper to establish a uniform system of command over all the troops throughout the country and place it in the hands of the Chairman of the Military Commission[29]. Perhaps the Committee system must go. Or, the power of the Central Political Council should be expanded and concentrated, but the number of its members be reduced to its minimum, "so that all nuisances entailed in the bureaucracy may be avoided and more efficiency ensured."[30] When these proposals are carried into effect, the perhaps we shall be advanced one long step nearer to the goal of authoritative government.

Taking a historical point of view, one may say that the answer to the question of dictatorship somehow involves a vague and difficult calculation of probabilities. Consisting of largely a personal element, the probability of the appearance of a dictator is to some extent a matter of chance. After all, it may or may not happen. The advent of any extraordinary personality in the political life of a nation belongs to the same category as those historical incidents, such as the mechanical inventions and the geographical discoveries. Events like these may turn the whole course of history out of all human reckoning, and yet the immediate and definite reason why they happen must remain forever unknown. What can be ascertained are just their probable and associate or concomitant causes.

As there is just one Mussolini or Kemal, the appearance or exit of such epoch-making figure is really without parallel. So just why a dictatorship occurs in one country rather in another is like other historical contingencies which are unaccountable by any rational explanation. In the words of G. D. H. Cole, we may say, "It happened so; and that is almost all we can say."[31] We can be sure, however, about some of the characteristics of the future Chinese national leader, be he a dictator or otherwise. In other words, he must be of extraordinary ability and calibre and popular with the people, and must be so farsighted, magnanimous and generous as to be able to avail himself of all the personal and material forees of the nation in order to build up an authoritative government[32]. Thus we may conclude with the prediction made by Professor Ching-chao Wu[33] that the present stage of personal rivalries and conflicts of militarists will inevitably end up with national unification by the instrumentality of some leader, who will appear sooner or later.

20.—San Min Chu I Monthly, Vol. I, No. 3 & No. 6; Vol. II, No. 1.
21.—Special, Shanghai, July 24; Hankow Herald, July 25, 1933.
22.—"Fascism in the Making," Max Ascoli, Atlantic Monthly, Nov., 1933.
23.—China Press, Oct. 10, 1933.
24.—Independent Weekly, No. 83, pp. 5-6.
25.—Independent Weekly, No. 84, p. 3.
26.—Havas, Paris, Feb. 26, 1934.
27.—Reuter, Peiping, Feb. 26; Central China Post, March 1 & 8; Hankow Herald Herald, March 3, 1934.
28.—Asiatic, Nanking, Feb. 23, 1934 (Peking & Tientsin Times).
29.—Asiatic, Shanghai, Jan. 16, 1934 (Peking & Tientsin Times).
30.—"The Intelligent Man's Guide Through World Chaos."
31.—Independent Weekly, No. 82, pp. 3-5.
32.—Independent Weekly, No. 84, pp. 2-3.

U. S. Treasury Shows Quarter Billion Dollar Deficit

The United States Treasury's returns, Apr. 3 showed a deficit of $2,500,000,000 for the first nine months of the current fiscal year. The Government's revenue from liquor was below the original estimates. The Treasury Department announced, however, that the Government's income for March, 1934, was the highest of any month since June 1931. The March income totalled $420,103,481 as compared with the high of $512,893,772 in June, 1931.

Britain's Exports Surpass America's for First Time Since World War

For the first time since the Great War, Great Britain has captured world export supremacy from the United States, according to George Peek, President Roosevelt's adviser on foreign trade.

Consolidation of all wire and radio communications companies will probably be effected if Congress will permit, Walter Splawn, special investigator recently appointed by Congress to study the matter, told the House Interstate Commerce Committee April 5.

Hearings on the Cenney Bill for the creation of a national lottery in the United States similar to that operated in China were ordered by the Ways and Means Sub-Committee of the House of Representatives April 6.

All motor car prices in the U.S.A. were raised April 5 except the Fords. Henry Ford denounced the rise as a deliberate attempt of the financial interests to slow up the return of good business. A few days later it was announced that Henry Ford's products would not be allowed to be furnished to the U. S.

Government as although Ford abides by the N. R. A. rules he has refused to fly the Blue Eagle and has not been issued a certificate.

A fierce fight occurred between the police at Minneapolis and 3000 unemployed outside the City Hall April 6. Order was restored only after the Chief of Police had threatened to call out the National Guard.

Owing to anti-Nazi sentiment among its customers, Mandel Brothers, a leading department store of Chicago, has decided to discontinue purchasing all merchandise from Germany.

U. S. factory pay-rolls during February gained twelve per cent. over January, 1934, the largest gain ever recorded for any month.

The Guaranty Trust Company has supplanted the National City Bank as the second largest bank in the United States. The Chase National Bank remains in first place.

Turks Will Extradite Samuel Insull

The Turkish Government April 8 decided to allow the extradition of Samuel Insull, but the U. S. Government is acting cautiously so as to avoid any chance of being hampered by technicalities

U. S. Classes Great Britain and Soviets as Defaulters

The Johnson Bill, passed April 4, includes Great Britain and the Soviets in the category of defaulting debtor nations to be subjected to a financial boycott. Ambassador Bullit has submitted to Moscow several projects for a settlement of the Russian debt question.

The Soviet steamer *Kim*, the first to come to the U. S. A. flying the Soviet flag, arrived in New York harbor April 5.

The death occurred in New York April 5 of Mrs. Elbert Henry Gary, one-time Chairman and Chief Executive Officer of the United States Steel Corporation.

The Treasury Department up to April 8 had received $550,000000 in subscriptions to the new series of 3 1/4 per cent bonds maturing on April 15. The total of Fourth Liberty bonds to be retired is approximately $1,000,000,000,

GOVERNMENT LEADERS CONFER AT NANCHANG ON NORTH CHINA SITUATION—BRITISH INTRIGUE IN SINKIANG

(*Continued from Page 250*)

Counteracting the activities of the so-called Anti-modern Association, a "Pro-Modern Association" has been formed at Peiping and commenced activities. Members of the latter Association are now patrolling moving picture theatres to protect the theatre-goers against the malicious activities of members of the other organization.

Kiangsu Official Resigned Owing to Wusih Scandal

Resignation of Ku Jen-fa, Commissioner of Civil Affairs of Kiangsu, who has been involved in the scandal case in Wusih in which he charged his life Lee Shu-yun with "selling public office" and ordered her arrest on that ground, has been accepted by the Kiangsu Provincial Government. Mr. Ku was summoned by Wusih District Court to give evidence to support his charges against his wife, but he failed to put up an appearance. Following resignation, Ku has gone to Shanghai in an effort to settle the case out of the Court. In the meantime, his wife has been released on bail by the Wusih Court and has also come to Shanghai.

Government Troops and Air Squadron Jion in Hunt for Liu Rebels

The bandits under Liu Kuei-tang, after moving all night April 5 reached Kokow, south of Ishui, in Shantung April 6. They then crossed the Ishui (River) at Wang-chuang, and arrived at Taichuang and Silichuang, South-west of Ishui, in the afternoon, with a view to returnnig to their old haunts at Meng Shan (mountain) in Shantung.

A squadron of airplanes is now raiding the bandits under Liu along the Shantung-Kiangsu border. The 3rd Army under General Wang Chun is also assisting the Shantung provincial forces in hunting down the outlaws.

A previous report says that crossing over to Kiangsu from Shantung whit about 400 bandits, Liu Kei-tang's following has now been enlarged to 2,000 after establishing contact with outlaws in Kiangsu.

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C. N. A. C. Sikorsky Plane Reported Lost

Up to the night of April 11 there was no news as to the fate of the China National Aviation Corporation's large Sikorsky mail and passenger amphiban plane which departed from Shanghai April 10 on its regular trip to Canton. Wireless messages were sent out by the plane thirty minutes after it left that it would return to the Lungwha Airdrome owing to fog over Hangchow Bay. The plane's wirelessed plans were to turn back only a few miles south of East Seishan Island where another Shanghai-Canton Sikorsky crashed last November 24.

The only passenger on the missing Sikorsky was a Japanese, K. Uyenura. Robert L. Gast was the pilot, F. James Finck, mechanic. Searches by other planes sent out by the C. N. A. C. proved fruitless.

Commander Hawks Demonstrates Huge Condor Plane

Lieut. Comm. Frank M. Hawks flew his huge Curtiss Condor biplane from Hangchow to Shanghai April 8 and has made demonstration flights almost daily since then. He made a number of trips over Shanghai with invited guests. The plane was assembled at Hangchow last week and when news reached here that it was ready for flight, Commander Hawks and William Pawley, Curtiss-Wright representative in China, proceeded to Hangchow by train. Several test flights were made at Hangchow.

Accompanying Commander Hawks and Mr. Pawley in the flight from Hangchow were Colonel John H. Jouett, advisor to Hangchow Air Training Academy, Mrs. Jouett, Mrs. Reed and Mrs. Engler—Mrs. Jouett's guests from Manila, Mrs. Clark and Miss Wade of the Hangchow Academy, Harry S. Goers, Curtiss-Wright expert who was responsible for the speedy assembling of the Condor, and three Chinese officers of the Hangchow Academy.

Commander Hawks will later on make a Shanghai-Peiping-Shanghai dawn-to-dusk trip in his plane.

Italian Plane to Give Demonstration Next Week

Commandante Marco de Bernardi, Italian air ace, is passing through the Customs this week what he describes as "the most perfect all-round airplane ever built." The CA-111, as it is officially known, is a duplicate of the plane in which Comandante de Bernardi made a flight last August from Milan to Moscow with five passengers, covering the distance in 11½ hours and landing with enough fuel still in the tanks to take the plane another thousand kilmeters. It is powered with a single Isetta-Franschini engine, manufactured by a Caproni subsidiary, which has a rated horsepower of 750 but actually turns up some 850 horsepower. The plane will be demonstrated next week.

Commission Asks for Airplane Funds

At the fourth Airplane Fund meeting of the Standing Committee of the National Commission for the Promotion of Aviation at Nanking April 3, it was decided that the Central Party Headquarters, the Executive Yuan and the Military Affairs Commission be petitioned to instruct their subordinate organs to hand over as soon as possible subscriptions to the "airplane fund" contributed by the staff members.

A recent order of the Executive Yuan provides that the National Association for the Promotion of Aviation and the National Aviation Association should remain separate organizations.

General Chang Huai-chang, well known Chinese aviator, is to be appointed Director of the National Aviation Bureau.

Service to Tihwa Not Yet Feasible

The Eurasia Aviation Company announces that resumption of the Shanghai-Tihua air service in the near future is unlikely owing to the lack of a satisfactory reply from the Sinkiang provincial authorities. It is understood that that peace and order in northern Sinkiang have not yet been sufficiently restored and therefore no date can yet be fixed for the resumption of the service.

Generals Chen Chi-tang and Li Tsung-jen, respectively, Commanders of the Kwangtung and Kwangsi Provincial Forces, and J. W. Ballantine, American Consul-General in Canton make an aerial flight over Canton at the invitation of the China National Aviation Corporation April 6.

The Ministry of Communications, has placed a large order with a British radio company for radio telephone sets.

U. S. to Have Huge Aviation Corps

John MacSwain, chairman of the the House Military Affairs Committee, has introduced in the House Representatives a proposal calling for the formation of a reserve aviation corps of 250,000 pilots with a view to ensuring the defence of the United States and to be equal to any emergency.

A number of reserve flying officers of the American army are reported from Washington to have resigned from the army ranks in order to join the air force of Columbia as instructors. These preparations in Columbia are said to be explained by the fear of an armed conflict with Peru.

The new air service between Glasgow, Belfast, Liverpool and London was formally inaugurated April 6 by the Prime Minister. Both the Prime Minister and Lord Londonerry flew to Liverpool from Birmingham. Mr. MacDonald said the day was not far distant when everyone would have their own airplane stored in their own backyard.

Three girl students were killed and five injured at Changsha April 7 when during an aerial demonstration being held under the auspices of the Hunan Provincial Aviation Bureau an airplane crashed to the ground.

A Japanese report states that the Soviet Government has recently constructed a new military airport at a point near Muss station, along the Trans-Siberian Railway Line, in Amur Province. More than 20 military airplanes of the newest type have assembled there and over 200 cavalrymen are stationed to guard the airport.

The super-airplane *Maxim Gorky*, at present under construction at the Central Aero-Hydro-Dynamic Institute in Moscow is nearing completion, and is expected to he ready within a month.

Miss Joan Meakins, British airwoman, crossed the Channel in a glider at a height of 2000 feet in tow of an airplane taking off from Ostend on the afternoon of April 5 and arriving at Lympne one hour and 15 minutes after the take-off.

Three Injured, One Missing in Mid-Air Smash in Japan

Three Japanese navy airmen were sent to a hospital last week with serious injuries, and a fourth is missing—presumed to have been drowned in Lake Kasumigaura, as a result of a collison between two naval planes. The machines were about three hundred feet high at the time, and collided practically head-on. Both were completely smashed, the wreckage sinking in the lake.

Captain Gauboussip of the French Air Force was burned to death when his airplane suddenly crashed at Le Bourget April 6 and burst into flames.

£5,000,000 Airport for London

A £5,000,000 airport covering King's Cross and St. Pancras stations is provided for in a Bill to be presented in the House of Commons. If Parliament approves, the scheme is expected to provide work to 9,000 men over a number of years.

Empty Houses in Shanghai Cause Drop in Municipal Revenue

A very considerable falling short of expectations in the amount of revenue to be collected by the Shanghai Municipality was revealed by the financial statement for 1933 issued last week. The Budget estimates were not realized, mainly due to the fact that there was a much larger number of vacant houses than had been figured on, with the result that there was a difference of approximately Tls. 728,000 between the estimated and actual ordinary income for 1933. The reduction in the estimated revenue had been largely offset by the departments generally spending less than the amounts allocated to them. So far as the interest account was concerned, the estimate had been exceeded by approximately Tls. 25,000, and as the final payments in respect to the sale of the Electricity Department had now been made, it might be anticipated that 1933 was the last year that this account would show a credit balance. The Council's income for the past few years had shown a shortage of an approximate equivalent of a 2 per cent rate, and, this deficit had been, and for the current year would be, made good by a transfer from general reserves. Recourse to this method of balancing a municipal budget was possible owing to the very favorable position in which the Council was placed as a result of the sale of the electricity undertaking. Since this transaction the total of loan issues redeemed aggregated Tls. 37,000,000 and funds amounting Tls. 10,600,000 had been applied towards retirement of the loan issues 1934/27. Moreover, since 1929 all capita-developments involving expenditure of approximately Tls. 29,-600,000 had been financed without recourse to public borrowl ings. Interest at 5½ per cent on the aggregate amount expended on capital projects and the sums hypothecated to loan redemption, approximated the equivalent of a 5 per cent general municipal rate. The Council's existing indebtedness amounted to approximately Tls. 19,500,000 against a sinking fund approaching Tls. 12,000,000, thus its actual indebtedness was approximately Tls. 7,500,000.

With regard to the budget for 1934,—the treasurer and controller pointed out in his report that the total ordinary income amounts to $24,431,700 as against total estimated expenditure, inclusive of the amount to be transferred to the education budget, of $26,390,060. To meet this deficit a transfer from the general reserves of a sum of $2,000,000 had been approved, leaving a surplus of $41,640 to be carred forward to 1935.

Out of the total of estimated receipts for 1934 of $24,168,-230, taxes on land are to provide $6,912,600; rates (that is taxes on rents of houses paid by tenants) are to provide $10,648,670. License fees are to provide $3,077,200. The royalty from the Shanghai Power Co. is put at $1,300,000.

Who's Who in China

Liu Wei-tse, Government official; born at Taishan, Kwangtung, 1892; studied at Iolani High School and Hawaiian University, Hawaii; member of Tungmenghui (predecessor of Kuomintang) and engaged in revolutionary activties while abroad; editor of the *Chinese Liberty News* in Honolulu; since return to China, has served successively as chief of general affairs section of the Canton Municipal Government, Chief Secretary to the Governor of Kwangtung, Director of the Canton Telephone Administration, Commissioner of Canton Municipal Finance Bureau, Director of the Salt Administration of the National Government and concurrently Director of the Salt Inspectorate, Special Finance Commissioner of Kwangtung, Counsellor of the Ministry of Railways of the National Government, Managing-Director of the Peiping-Hankow Railway, Director of the Business Department of the Ministry of Railways and concurrently President of the Joint Commission for the Administration of the Peiping-Hankow and Nanking-Shanghai-Ningpo Railways, Vice-Minister of Railways; now Vice-Minister of Industries; address: Ministry of Industries, Nanking.

劉維熾
Liu Wei-tse

劉維熾，廣東台山縣人，年四十三歲，少時赴檀香山求學曾在伊阿南中學及夏威夷大學肄業，幷入同盟會從事革命工作，與孫哲生同爲檀香山自由報記者，回國後，歷任廣州市政廳總務科長，廣東省長公署祕書長，廣州市電話局長，廣州市財政局長，國民府鹽務署署長兼鹽務稽核所所長，廣東財政特派員，鐵道部參事，平漢鐵路局長，鐵道部業務司司長，兼管理京滬滬杭甬兩路平漢鐵路委員長，鐵道部次長，實業部次長，

Foreign Doctors Must Procure Chinese Licenses

The Chinese National Health Administration issued a notice at Nanking April 6 for the guidance of foreign medical practitioners who desire to come to China and pursue their professlon in this country. The Chinese law requires that a foreigner desiring to practice medicine in any part of China must obtain a license from the Central Health authorities (National Health Administration) as well as a registration paper from the local government of the place where he wishes to practice. It is also mentioned that no medical practitioner can fulfill his functions unless he is conversant with the Chinese language.

More Than Half Million Chinese Join Catholic Church in Decade

According to a report from the Apostolic Delegation in Peiping recently received at the Vatican in Rome 550,111 conversions to Catholicism occurred in China during the last 10 years. These converts were all catechumens baptized after due course of instruction and probation, the report stated. The Catholic population of China now stands at 2,624,116, according to this report. During the last decade the foreign clergy in China increased from 1509 to 2346. The native clergy grew from 1118 to 1614 and the total Catholic population increased by 16 per cent.

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Dr. Williams' Pink Pills, the world famous blood and nerve tonic, are equally good for men as for women, and they can also be given, with perfect safety, to run-down, pale, anaemic children. Obtainable from chemists everywhere.

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Men and Events

Mrs. Hannon Scott, former Shanghai resident, was killed at Hongkong April 6 in a motorcycle accident.

The Kiangsi Provincial Department of Education has decided to open a summer school at Kuling.

Dr. W. W. Yen, Chinese Ambassador to the U.S.S.R., is at present in Peiping. After a month's stay in the North, he will return to Nanking.

The wedding took place in Hongkong April 3 of Miss Valerie Honigsberg from Shanghai, to Lieutenant P. R. M. Wisden of the East Lancashire (British) regiment.

M. K. Gandhi, the Indian Nationalist leader, urged the abandonment of civil disobedience in the course of a statement issued at Patna April 7.

The American University Club of Shanghai will hold a barbecue at Millington Camp, Hungjao Road, between Warren & Fraser Roads, April 14.

The Chinese steamers *Futai* and *Yuantai*, plying between Shanghai and Huchow, were pirated near Tzechuang last week. The pirates relieved the passengers on both vessels of about $3,000.

Four passenger coaches of a south-bound train were derailed near Chatse Station, south or Chinkiang, along the Nanking-Shanghai Railway April 8. There were no casualties.

The German Consulate General in Shanghai is distributing copies of *Germany and You*, a handsomely printed magazine printed in Berlin in the English language.

Prince Tokugawa, formerly President of the Japanese House of Peers, arrived back in Japan April 5, after a six months tour of the United States.

Miss Barbara Miller, who has been engaged in journalistic work in Shanghai for the past five years, latterly with the *North China Daily News*, departed for the United States last week.

Twenty men engaged in large scale smuggling of salt and medical supplies to the Communist area in Kiangsi were arrested near Chuchow, in southern Chekiang, early this week.

Wang Ching-wei, president of the Legisative Yuan, departed from Nanking April 10 for Kiangsi aboard a Chinese gunboat accompanied by Tseng Tsung-min, Vice-Minister of Railways.

J. A. Mackay, assistant vice-president of the National City Bank, has returned to Shanghai, accompanied by Mrs. Mackay. Mr. and Mrs. Mackay were hosts at an aloha tea at the Royal Hawaiian hotel in Honolulu before sailing for Shanghai.

Mrs. Pearl S. Buck, author of "The Good Earth" arrived back from India April 8 after a four month's trip. She proceeded to her home in Nanking April 10. Richard I. Walsh, editor of *Asia* Magazine, returned on the same boat.

The Military Affairs Commission has made a ruling that staff members of military organs under 40 years of age must acquire a working knowedge of at least one foreign language,—either German, English, French, Japanese or Russian.

A Native Goods Exhibition was formaily opened in Hangchow April 2. Among the officials present were Mayor Chou Hsiang-hsien and Dr. W. W. Yen, Ambassador to Moscow who was visiting the Lake City.

William Jardine Gresson, a former member of the Executive and Legislative Councils of Hongkong, who was killed in a hunting field in England on January 10 left an estate to the gross value of £243,276, with net personalty £231,443.

An increase in net profits of $938,352,31 over the previous year was disclosed in the chairman's speech at the annual general meeting of the Shanghai Waterwoks Company, Ltd., held April 5, as compared with a fall of $280,000 the previous year.

Jack Howard, son of Roy W. Howard, chairman of the board of directors of the Scripps-Howard Newspapers and the *United Press* was married in New York April 5 to Miss Barbara Balfe, daughter of Mr. and Mrs. Thomas W. Balfe.

Colonel Lawrence, who during the World War organized the Arabian revolt against Turkish rule, is stated in Russian newspapers to be at present engaged in supervising the construction of the new British airplane carrier which will be stationed at Singapore.

One of the resolutions adopted at a meeting of the Board of Directors of the Nanking Association for the Promotion of the New Life Movement, held under the chairmanship of Dr. Chu Min-i, Secretary-General of the Executive Yuan in Nanking April 5, was that the police be requested to prohibit the smoking of cigarettes by children below the age of ten.

Toshio Ono, manager of the Mukden branch of the Yohohama Specie Bank, has been promoted to the post of Chief of the Secretariat; Ichimatsu Kawakami, manager of the Peiping branch has been made manager of the Mukden branch, being succeeded by Heinosuke Ihara, an official of the Foreign Section of the Bank.

Victor Keen, correspondent for the New York *Herald Tribune* returned to Shanghai this week, after a three months tour of the United States and Europe. Mr. Keen returned to Shanghai via Russia and Manchuria.

General Van Seeckt, noted German army man, accompanied by Mrs. von Seeckt arrived in Shanghai on another visit April 9, he having been here several months ago. There are rumors that he may become military adviser to the Military Affairs Commisson of the National Government.

Stubby Stubblefield, popular Pacific coast racing star, recently piloted a Ford V-8 car to victory in the famous 250 mile Gilmore gold cup race for stock cars at the Los Angeles Municipal Airport, his time being four hours, 46 seconds, and his average speed over the two-mile track 62.367 miles an hour.

The death occurred in Shanghai April 9 at the age of 52 of Victor Volynsk, chief of the Press Bureau of the Soviet Embassy of in China. Mr. Volynsky arrived in Shanghai less than a month ago, and was immediately confined to his bed with heart trouble, from which he had been suffering for many years.

Arthur Charles Mack, was sentenced to two years' imprisonment in the British Supreme Court April 11, having been found guilty on three separate charges of uttering and procuring a $136,688.25 check and uttering a $188,563,20 check in connection with the Chartered Bank forgery. The Russians connected with the case who received heavier sentences in the Chinese court (one of five years) have appealed against the sentences imposed.

Arrested while attempting to smuggle mails to Manchuria via Dairen on a Japanese steamer on the morning of April 4, M. Nojin, a Russian, was arraigned in the Nantao District Court last week for enquiry, charged with "assuming the right to execute the duty of a state official." Ninety-nine letters were seized by the Chinese river police on April 14, when Nojin was located on the boat.

Chinese students in Paris have requested the Chinese Legation there to lodge a protest with the French authorities concerning a film taken several years ago on an expedition to Sinkiang which was organized by a group of Chinese and French scientific interests. The expedition caused considerable commotion at that time and the *Chekiai* agency says Chinese members participating in it were severely censured by public opinion in China.

By a unanimous vote, Dr. Tsai Yuan-pei was elected Chairman of the reorganized Board of Directors of the Peiping Palace Museum at the first meeting of the Board held in Nanking April 4 under the chairmanship of President Wang Ching-wei. Among those present were Messrs. Chang Chi, Wu Chih-hui, Chang Ching-kiang, Chen Li-fu, Wang Shih-chieh, Li Shu-hua, Li Chi, and Ma Heng.

Upon Close, well known writer and lecturer on Far Eastern affairs, was the author of articles dealing with Japan and Manchuria which appeared in *Liberty* on March 17 and the *Saturday Evening Post* on March 24. Mr. Close is now lecturing on the Pacific coast, following which he is planning a trip to the Far East. He was formerly a resident of Peiping where he was engaged in newspaper work.

Jack Mason, formerly engaged in newspaper work and later in the curio business in Shanghai, recently disappeared from his home in California and since has not been heard from. According to letters recently received in Shanghai, Mr. Mason left his home, presumably for a walk and disappeared. Mr. Mason, after serving as correspondent for the *Newspaper Enterprise Association*, became a dealer in curios and operated an establishment in the Astor House Hotel for several years.

"Japan Builds a New Colony," is the title of an article by Edgar Snow which appeared in the *Saturday Evening Post* on Feb. 24. Mr Snow was formerly engaged in newspaper correspondence work at Shanghai but is now a resident of Peiping. In the course of his article Mr. Snow stated that the Chinese officials who are now serving in the puppet state receive salaries approximately four times those received by officials of Japan and that George Bronson Rea, the American propagandist representative in Washington, receives a salary of Yen 70,000, which is larger than that of any Manchukuo official excepting Pu Yi.

Nanking Official Criticizes Speech of Jacob G. Schurman

Following a statement made recently in Paris by Dr. Jacob Gould Schurman that China is still far from being unified and that the central government's authority is only spread over five out of 18 provinces, a high official at Nanking is quoted by *Chekiai* as suggesting that perhaps Dr. Schurman is confusing unification of the counrry with the fact that General Chiang Kai-shek has been appointed by the central government commander-in-chief of the Bandit-Suppression Forces for Five Provinces. The high government official incidentally drew a parallel by asking whether any credence would be given to the statements of a speaker on present day America if he should say that there were only 13 states in the union.

Snow's Assertions Regarding Chiang Are Challenged

Edgar Snow, correspondent in the Far East for the *Consolidated Press* contributed an article on "China's Strong Man" (Chiang Kai-shek) to *Current History* (January issue), which was reprinted in the Shanghai *Evening Post* March 26 and 27. Some of Mr. Snow's statements have been seriously challenged by Gerry Fitch, who writing in the *Post* April 5, said incidentally that after Snow's excellent "Far Eastern Front" this article brings him (Snow) into the same class as General Tsai Ting-kai of the Nineteenth Route Army, who after springing into world prominence by a gallant defence brought himself into disgrace by his ill-advised rebellion against the National Government. The high lights in Snow's article are; Chiang's relations with Chen Chi-mei and Chiang Ching-kiang, his experiences as an exchange broker, the ordering of the massacre of Socialists, etc. in 1927, his conversion to Christianity and his marriage to Soong Mei-ling.

The following are some of Mrs. Fitch's comments on Snow's statements:—"The amazing thing about Snow's article is that while he denies that Chiang became a Christian for political reasons, and at no point seems to doubt the sincerity of his profession, he charges him throughout with attitudes and acts that are inconsonant with such a belief and would certainly make any profession of Christianity an hypocrisy of large dimensions. . . . The usual muck-raking into Chiang's private life follows. . . .Snow concedes that General Chiang has been true to Soong Mei-ling whom he married in 1926, and that is more than many a recent writer has given the Generalissimo credit for. . . . As a gay young officer more than twenty years ago, Chiang was possibly as careless and carefree as the average. . . . In 1923 Dr. Sun sent Chiang with others to Moscow to study the military system. True. And on his return he was an enthusiast for Soviet Russia, which may not be quite the same as to call him a 'Red enthusiast.' But when it comes to accusing Chiang of using the attack on Nanking in 1927 as an excuse for accusing the Communists of trying to wreck the Kuomingtang, Mr. Snow needs more information. . . . In the first place, it was not Southern troops who sacked Nanking, but the Bolshevist element in the 6th Division of General Chen's troops from Hunan. . . . He saw that the Russian advisors were not helping China to finish her revolution. They were aiming to turn China Red. They were conspiring to kill the Kuomintang leaders. When Chiang swung over to the Right Wing and fought the Wuhan group almost single-handed, it was to save China from Bolshevism and preserve the party of Dr. Sun Yat-sen. He has been consistently fighting Communism in China ever since. . . . Continuing with statements of still greater sweep, Mr. Snow would somehow fasten on the Generalissimo part of the responsibility for one of the greatest famine and flood disasters in all Chinese history. He has nothing to say of the unparalleled efficiency of the Chinese National Government in handling that disastrous situation. He charges him with more deaths than any other man in modern Chinese history. He says that probably a million and a half people have been slain by the combined efforts of the Communists and the government. Surely he is not trying to put on Chiang's shoulder responsibility for the great majority of deaths, whatever their number, as the Communists ruthlessly razed whole villages, massacring the inhabitants —men, woman, and children. It is this sort of thing that Chiang, representing the Central Government, is out to put a stop to! . . . 'Everybody agrees that Chiang has become immensely wealthy.' Everybody does not agree, and Mr. Snow may be fairly asked to prove such a slanderous statement. It is no more true than the statement that he spent $100,000 on his wedding. I was there. Snow was not . . . 'He now owns costly and *well-protected* estates in Shanghai, Nanking, Kuling, Fenghua and elsewhere.' I happen to have seen every one of the places mentioned, except that in Fenghua. The home in Shanghai belongs to Madame Chiang, transferred to her upon her mother's death. It is not an estate,—a good-sized house not unlike the others on the same street. *Well-protected* by a couple of plainclothes gatemen when the General or his wife happen to be in Shanghai. The house in Nanking is government-owned and has never been occupied. In the mountains of Kuling he occupies a rented bungalow, quite like those all about it occupied by missionaries and business people. One of the "elsewhere" might be the house he lives in when in Nanchang, rented from the Methodist mission, anything but an estate. That, too, I have seen. And at the front where he has been most of the winter, he lives in a cottage that cost something like $3000 (Mex.) with paper windows, and which I have heard Madame Chiang refer to as 'bitterly cold—you can't imagine how cold!' If in Fenghua, his native village, he has *an estate* to which he may sometime retire when his thankless public task is finished, I for one am glad it is so. But I fear even that would appear prettly modest beside the country place of the ruler of any other great land! . . . And so with the Sikorsky plane, which is not bullet-proof, which did not cost $80,000, and which does not belong to him. It is government property."

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New Books of Interest in the Far East

The Blight of Asia

Indian Caste Customs. By L. S. S. O'Malley. Cambridge University Press. London.

This excellent little book sheds much light upon the real nature of the caste system in India. It does not go, indeed, into historical origins, or the manner in which so many tens of millions of people were turned away from the essentially democratic creed of Buddhism to that which Rabindranath Tagore has described as "a gigantic system of cold-blooded repression." Perhaps it is well that it says little on such disputable questions as origins, and devotes itself mainly to description. As description it is of real value. The author, who happens to be a "C.I.E., I.C.S., Retired," takes no definite stand for or against the system, and in conclusion sums up fairly the arguments both pro and con. He writes well, clearly, and without evident bias.

The essence of caste is the exclusiveness of each particular unit. There are scores of larger castes numbering millions of members—usually divided into numerous sub-castes,—and over two thousand smaller ones. In 1901, the author tells us, there were 2,378 tribes and castes in India, most numerous being the Brahmans with over fourteen million members, next coming the low-caste Chamars (leather workers) with eleven millions. Each caste is a society unto itself, marrying only within its own ranks, eating and drinking only with its own people, and possessing its own community government, law, and punishments. And the sub-castes into which the larger castes are divided are each exclusive units also, not even mixing with other sub-castes of the same caste, except in the case of some castes of tribal type which are subdivided along different lines.

Mr. O'Malley's book consists of nine chapters: The Caste System; Caste Government; External Control; Penalties; Marriages and Morals; Food and Drink; Occupations; The Untouchables; and Modern Tendencies. The author points out that the system is much more rigid in South India than in the North (though he does not associate this with the wide influence of the more democratic creed of Islam in the north and northwest). What this rigidity means in practice he shows by numerous examples. The Pariah in South India, for example, may not use the roads inhabited by Brahmans, and along other roads must "call out to give notice of his unclean presence, and when he comes within the prescribed distance, leave the road and get along, as best he can, in the fields, even if they are under water.... If a stranger lies ill or dying in the streets, orthodox Hindus will not move a finger to help him for fear that he may be an untouchable." In the "good old days" before British rule, an upper-caste man simply killed an "untouchable" whom he found on the highway, and in some areas untouchables were forbidden to leave their houses after 9 a.m. "lest they should taint the air or touch the superior Hindus in the street." Even recently, in Orissa, the "untouchables" are "not allowed to draw water from the village tank, the village barber will not shave them, the village washerman will not wash their clothes.... A Ganda in suffering receives no sympathy and the door of Hindu charity is ordinarily closed against him. Until recently, moreover, no Ganda child was allowed to join the village school, and though they are now allowed to attend it, they must sit apart from other Hindu boys. They cannot.... even build their houses in the village with other Hindus."

These "untouchables," be it noted, are no mere handful of unfortunates, but were estimated at 43,600,000 persons by the Simon Commission,—nearly thirty per cent of the Hindu (as distinct from the Moslem and other non-Hindu) population of India. But it is to be noted that even these "untouchables," usually referred to as outcastes, have in fact castes among themselves. It is salutary to remember that the Brahman puts Europeans and Americans in the same category as the native pariahs as "untouchable." O'Malley remarks that "British residents in India are not always aware that some of the Hindu gentlemen with whom they shake hands think it incumbent to remove the consequent contamination by bathing. This is one of the reasons why orthodox Hindu gentlemen like to call on British civil officers early in the morning before the time at which they take their bath." One can quite imagine the feelings of Moslems condemned to live in the same town with these Hindu gentlemen, and understand why they occasionally turn to throat-slitting as a release for long-inhibited impulses. The realization that we are ourselves "untouchables" should give us fuller sympathy with our pariah fellows in India.

"Untouchability," of course, is the extremest development of the caste system. But next above this thirty per cent are the various castes of the Sudras, mostly servants and laborers, who are recognized as human and permitted to make offerings to secure the salvation of the soul after death. The "untouchables" and "Sudras" between them make up a majority of the Hindu people, and above them are the "twice-born," who, "besides having the physical birth common to all human beings....had a second spiritual birth through being initiated into the mysteries of religion and invested with the sacred thread." These "twice-born" are divided into the three main orders of Brahmans (the priestly and learned class), Kshattriyas (the military and governing class), and Vaisyas (traders, farmers, and cattle-owners), each of the latter orders with scores of castes.

The whole system resolves itself into a question of religion. It is the doctrine of Karma, taken up with such enthusiasm by "new thinkers" who cannot think, which justifies the whole business. "There is an endless series of rebirths, and as a man sows, so shall he reap. A man's caste consequently depends on his actions in a previous life; worth in one life determines birth in another. This explains the inequalities of caste, why one man is born to honour, another to dishonour." Which is most pleasant and comforting doctrine for the Brahmans, and for the privileged classes generally. It is only because India is (as Mencken has so well phrased it) a sewer of superstition, that the caste system can survive.

We should not, however, forget how much of the this ideology exists among ourselves: sovereigns who rule by divine right, magnates who profess to regard their wealth as a sacred trust and responsibility, peasants who pray to God to "bless the squire and his relations, and keep us in our proper stations;" Calvinists who believe that we are saved or damned from birth; snobs to whom a coolie is untouchable and intermarriage with a "lower" class or tribe unthinkable; social classes or groups which are wholly self-centered (ranging from noblemen to racketeers) and quite indifferent to society as a whole; Western Brahmans who believe that college "education" gives them a right to live more easily and softly than the common herd (even in Soviet Russia office workers get more pay for less hours than the harder-worked machine-tenders and laborers); the belief in "natural superiority" and the "natural inequality of men;" people whose main interest is gossiping about one another's private affairs, and ostracizing and outcasting those who decline to kowtow to them: "Nordics" who persecute Jews; "Whites" who deny equal opportunity to negroes....In these and other aspects of our own life and beliefs, whether in the West or in China, there are the essential ingredients of the caste system.

Perhaps the most hopeful thing that can be said is that modern influences are steadily undermining the caste system in India, and that the democratic conception there is growing, and not going down to defeat as it seems to be doing in much of the world. Mr. O'Malley sums up both the affirmative and negative sides of caste. He points out that "A Hindu is primarily a member of a caste and not of a nation; his loyalty is to a group and not to the general community. There can be no united national life so long as society is split up into thousands of separate sections, each guided by its own canons of conduct and not by a common public opinion. There can be little social progress so long as men of low caste, however educated they may be, whatever position they may have attained in Government service, in commerce, or in the professions, are condemned by the stigma of birth to lifelong social inferiority or even degradation." (Which criticisms, as noted, might be applied to other societies than that of India.)

And the argument for the other side is that "It does its best work as a guardian of morality. It is caste which habituates Hindus to that respect for authority and exercise of self-restraint which form the basis of social order.... Its stabilizing influence is not without political importance at the present time, when the Communist movement is said to be a menace to India. A system which is permeated by religion is utterly opposed to the Bolshevist doctrine of a war upon religion. The idea of a class war is alien to a people which believes that the social hierarchy is divinely ordained and that equality is not only contrary to experience but is impossible because each man's state of life is predetermined by his actions in past lives."

H. H.

An Interpration of Chinese Art

The Vision of Asia, by L. Cranmer-Byng; Farrar and Rinehart, Inc., New York, 1933. 306 pages with bibliography and index.

This book is called "An Interpretation of Chinese Art and Culture." We wonder that the author did not substitute the word "China" for "Asia" in its title. He dedicates the book to the memory of L. Adams Beck and quotes from her "Story of Oriental Philosophy" a paragraph which gives the impression and key-note of his book.

> "The values of East and West do not clash. They are supplementary and interchangeable; and it will be well for the world when this is fully realized, and there is free circulation of thought. The faith of a nation is her soul. Her literature is her intellect. Nations who do not meet on these grounds cannot understand one another, and understanding is the most vital need of the present day."

Our author tells us that "the discovery of spiritual bonds uniting East and West is our adventure." Western education for utility is contrasted with Chinese for aesthetic. The book as a whole seems to be rather a collection of musings upon ideals of thought than a reasoned progress of philosophy, religion or aesthetics. So many sorts of "Tao" are casually mentioned and referred to that one unfamiliar with Confucian and Taoist differences may easily be confused by them. There are many quotations taken from ancient Chinese and modern Western writers. A surprising lack is that modern Chinese writers seem neglected. Only one or two are cited. Perhaps this is because it is easier to consult translations of old worthies than to find statements of moderns to hand. American and English essayists are much easier to obtain than present-day Chinese.

If there is not as strong a thread of interest holding us to a definite subject in this book as in Mrs. Beck's "Story of Oriental Philosophy" we can derive much pleasure from browsing through Cranmer-Byng's pages. There are many arresting paragraphs and quotations. At times the book seems to repeat itself and to wander, but finally it comes back in the end to the thought that "ideas and the imagination which begets them are of greater service in the world of today than all the conferences of the experts. We need to get back to that clearer and wider vision which saw the way of Life as the way of Creation, and the adventure of Life as the co-adventure of the Human and Divine. The attainment of lasting peace does not rest with a League of Nations; justice between man and man is not to be sought for in any rigid political or economic system; the Kingdom of Heaven on Earth lies off the theologian's map."

The preface refers to a frontispiece but our copy of the book has none.

March 27, 1934. G. B. S.

China Observes Children's Day

Thirty thousand children observed Children's Day at a mass meeting in Nanking April 4. Speeches were delivered by Tuan Hsi-peng, Vice-Minister of Education, and Dr. Chu Min-i, Secretary-General of the Executive Yuan. Meetings were also held in other parts of the country in celebration of the day, according to reports from Wusih, Soochow, Hangchow, Kaifeng, Peiping, Taiyuan, Changsha, Hankow and Canton.

Nanchang educational circles have issued a circular message throughout the country proposing that August 27, the birthday of Confucius, be set aside as "Teachers' Day."

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Endowment Fund Started in Memory of Late Mrs. Cunningham

The funeral services for the late Mrs. Elizabeth Cunningham, wife of the U. S. Consul General in Shanghai, were held in the Holy Trinity Cathedral April 7, the remains being brought here from Hangchow, where death occurred, April 4, after a short illness. Mr. and Mrs. Cunningham had gone to Hangchow for the Easter holidays. Mrs. Cunningham suffered a paralytic stroke. A huge throng comprising almost every nationality in Shanghai, including Chinese, was present at the funeral. The service was conducted by the Reverend E. W. Luccock, assisted by Dean Trivett. The pallbearers were, Consul Paul R. Josselyn, Consul R. P. Butrick, Consul John J. Muccio, Consul C. D. Meinhardt, Consul Clarke Vyse, Vice-Consul Julius Wadsoworth, Vice-Consul H. V. Cooke, junior, and Vice-Consul J. B. Sawyer. The body was cremated.

The late Mrs. Cunningham had a large circle of friends, not only in the American community, but also among other nationalities, thanks largely to her ability as a linguist. Mr. Cunningham first met Miss Elizabeth Rhoda, (the maiden name of Mrs. Cunningham) in Durban, South Africa, while he was in the Consular serivce there. They were married November 4, 1911. Mrs. Cunningham is survived by several brothers and sisters, living in South Africa. A feeling reference to the late Mrs. Cunningham was made by A. D. Bell, chairman of the Shanghai Municipal Council at the meeting of said body, April 4. The Consular Body, the British Chamber of Commerce, the Child Welfare Association, the American Woman's Club and many other organizations sent letters of condolence.

A Rhoda Cunningham Endowment Fund has been started, to which many thousands of dollars have already been subscribed. Mr. Cunningham made a special request that there should be no flowers at the funeral, the money instead being donated to the Fund. A partial list of the donors to the Fund follows:

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Far Eastern Olympics Round Table Conference in Shanghai Meets Deadlock

The Round Table Conference of the Far Eastern Olympic Games met in Shanghai during the week to decide on the program of the forthcoming Athletic meet at Manila. The meeting was attended by the representatives of China, Japan and the Philippine Islands. The question of admitting "Manchukuo" athletes to participate in the contest, which is to take place in Manila this summer, was put to Chairman, V. Tan, who represents the Philippines at the conference. The Japanese delegates did not ask that "Manchukuo" be given membership in the Far Eastern Olympic Games but that athletes of that territory be permitted to participate in the contest for the sports alone and not the championships. In presenting their proposal, the Japanese delegates cited the precedent in 1930 when Indian athletes were admitted to take part in the Far Eastern Olympic Games then held in Japan before India was formally accorded membership in the association.

Deadlock Occurs—Japan May Withdraw

The Chinese remained firm in their decision not to allow the participation of Manchukuo, and in addition the Japanese charged the Filipino delegates with breach of faith. The net result up to April 12 was that it seemed that the Japanese would refuse entirely to participate in the meet at Manila.

Hangchow to Be Made a Sport and Recreation Center

Upon the completion about June 15, of 1,000 kilometers of highway in Chekiang it is proposed by the Chekiang Provinical Governmen to erect a race course and golf course and swimming pool in Hangchow, six hotels along the highway, and to construct a $1,000,000 bridge over the Chientang River. The Tourist Bureau of the Government is headed by Y. F. Tseng, concurrently Commissioner of the Construction Department of Chekiang Province; the vice-president is T. Y. Chao, recently-elected Mayor of Hangchow. Y. P. Wong, formerly advertising manager of the *China Times*, is the secretary.

Japanese Story Says Hongkong Forts Are Being Extended

According to a recent Shanghai telegram to the Osaka *Asahi*, Britain is now engaged in the work of expanding the Hongkong forts. Her underlying motives are, it is said, to extend her rights and interests in South-West China and to protect her economic position on the Yangtsze, which has been declining in recent years. The work also has in view the crisis of 1936, says the message. Last year, it is stated, Britain sent a dozen military experts to Hongkong to make a careful survey, as the result of which a big expansion scheme was worked out and taken in hand. A subterranean road has been made between Hongkong and a certain small island, and on the elevation of this island forts have been built. Behind Hongkong more forts are under construction. The *Asahi* correspondent intimates that he got his reports from coolies working on the job.

Huge U. S. Naval Maneuvers

A series of huge battle maneuvers in which the United States fleet will fight its way through 4000 miles of "enemy" waters, began off San Diego April 9 to continue throughout the month. The maneuvers, which are on a scale hitherto never attempted, will extend 3,000 miles to the Panama Canal and from there to Puerto Rico and the Virgin Islands. One hundred ships, 300 aircraft and 35,000 men are participating in the maneuvers. Afterwards the fleet will move up the East Coast in readiness for a grand review by President Roosevelt in the Hudson River at the end of May.

Netherlands Labor Party to Work for Disarmament

Abandoning its former standpoint against militarism and armaments in Holland, the Social Democratic Labor Party, the second largest in the country, has decided to work for disarmament only on international lines, and to take part in the government if so required

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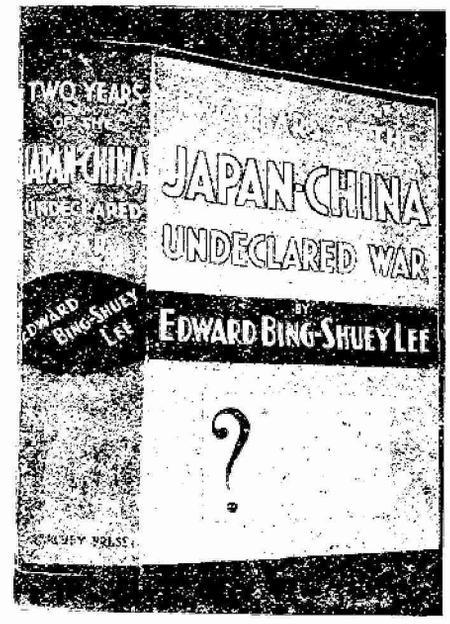

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China Development Finance Corporation to Be Formed

Plans are developing for the formation of a China Finance Development Corporation with a capital of $10,000,00. Dr. H. H. Kung, the present Minister of Finance, is stated have approved the scheme. It is rumored that the corporation will be open to subscriptions by foreign capital.

According to information available T. V. Soong, former Minister of Finance, and a group of Shanghai bankers are backing the enterprise, the purpose of which will be to assist the Government in financing the economic reconstruction. It is planned that the Consortium when formed will have a capital of $10,000,000. T. V. Soong, H. H. Kung and many prominent official and Shanghai bankers are to be the promoters. A group of foreign financial experts is to be engaged to assist in the business of the Consortium. Mr. Soong postponed his trip to the Northwest so as to give more time to the project.

A *Tass* report stating the Japanese were opposing a foreign consortium loan to China may have had its genesis in the visit of Jean Monnet, a delegate from the League of Nations. He left China last week after a brief visit here. During his stay in Nanking he is said to have had certain conversations on financial matters with members of the Chinese Government and with other people, including, it is understood, Mr. Suma of the Japanese Legation The fact is established that the Japanese Government let it be known that it would not look with favor on any international financing which sought to operate without Japanese participation.

A *Reuter* report from Tokyo on April 10 quoted a spokesman of the Foreign Office as stating that Japan's objections were based on a number of factors, including:—The difficulty of ensuring a division between technical and political assistance; taking previous attempts as precedents, a successful outcome was extremely unlikely; the nations of the west, being far distant, could afford to risk failure, but Japan could not. The spokesman also intimated that the Japanese Government "was not yet certain whether the talked international assistance for China would be taken at its face value, or was merely propaganda."

Dr. Kung, April 5 denied categorically the report that China is seeking a loan from the International Banking Consortium. As a matter of fact, he says, China is not seeking loans from any foreign country or foreign financial interests. As China now has a huge amount of existing foreign loans to liquidate, Dr. Kung stated it would be unwise indeed for her to saddle upon herself new foreign obligations.

Ten Year Plan for China

Telegrams from Nanking last week confirmed that the next session of the League Council will begin on May 14 at Geneva and its special Committee for technical collaboration with China will meet at the same time to consider the report of its Technical Delegate. Dr. J. Rajchman, the Technical Delegate in China, is proceeding to Geneva to attend the meeting. He departed from Shanghai April 10. It is stated that Dr. Rajchmann has drawn up a comprehensive scheme for the economic development of China which he is taking to Geneva with a view to sounding the opinion of the League. The scheme will be known as the Ten-Year Plan for China and it will encourage foreign investment in this country.

Dr. C. T. Wang Describes Road Building Progress in China

Dr. C. T. Wang, former Minister of Foreign Affairs, in an address delivered at the meeting of the Peking Rotary Club April 5 described the progress of road building in China in the last 13 years. The National Good Roads Association was started in 1921 by several members connected with the Pan-Pacific Association. Dr. Wang told of some of the difficulties which the movement encountered during the first few years after its inception. Not only did the monthly magazine of the association meet with little support from the general public but its members experienced considerable difficulty in convincing the authorities of the value and and importance of building modern roads. In this connection the speaker told of how the governor of one province who had the reputation of being a progressive leader, was unable to see his way to devote provincial funds for the construction of highways in his provinces as urged by a delegate of the association and how two foreign ministers, who happened to be on a visit to the province at the time, came to the assistance of the delegate and told the governor that the most urgent need of his province was to build modern roads. The mileage of modern roads in China has registered a remarkable increase during the last 13 years. In 1921 there were only 1,165 kilometers of modern roads in China, Last year, there were 98,651 kilometers, and these were in all parts of the country. The monthly publication of the association had now a circulation of 10,000 copies. Its articles no longer treated of the importance of China building new roads but they laid stress on such questions as to how to keep roads in good condition and other technical subjects.

New Land Measures Adopted by Executive Yuan

A set of measures relating to the administration of land affairs has been adopted by the Executive Yuan for enforcement pending the promulgation of the Land Law. Land affairs, according to these measures, shall for the time being be placed under the charge of Provincial Civil Affairs Departments or the Municipal Bureaus of Finance, but in case of necessity, Special Land Bureaus may be established either under the Provincial or the Municipal Governments. Directors of Land Bureaus shall be chosen from qualified experts. A Bureau may have from two to three subordinate departments, a Registration Office and a land survey section to attend to its various affairs.

With reference to land disputes, it is provided that, pending the promulgation of the Land Law (which calls for the establishment of Special Land Tribunals), such disputes shall be heard and adjudicated by the ordinary Courts of Justice. The administrative authorities having charge of land affairs may, however, mediate in disputes arising in the course of surveys or registration.

Assessment of Land Values is to be made by a special Land Assessment Committee to be organized by the Municipal or District Government concerned.

$40,000,0000 Newsprint Plant Loan to Be Issued

A public loan to the amount of $40,000,000 secured on the British Boxer Indemnity Refunds, will be issued by the Ministry of Industries shortly for the capitalization of the government paper plant at Wenchow, Chekiang, establishment or which has been planned for the past several years. It is estimated that is the plant can produce 35 tons of news papers a day, it can make a yearly profit of from $1,500,000 to $2,000,000.

A Poyang (Kiangsi) Coal Mine Corporation will shortly be organized in Shanghai under the auspices of Yuan Lu-teng and other prominent Chinese industrial leaders in Shanghai. The company will have an initial capital of $1,600,000.

Chen Kung-po, Minister of Industries, has decided to establish a Farmers Bank with head office at Nanking. Preparations for the organization of the Bank have been in progress for some time and are now nearing completion. The Bank, when established, will have three grades, the Central Farmers Bank with a capitalization of $10,000,000, the Provincial Farmers Bank with $10,000,000 and the District Farmers Bank with $50,000.

Chinese Tobacco Factories Say Foreign Products Are Favored

Pursuant to an appeal from over forty tobacco factories in Shanghai, the National Associated Chambers of Commerce have submitted identic petitions to the National Government, the Executive Yuan and the Ministries of Finance and Industry, praying for reconsideration and revision of the new rates of the Rolled Tobacco Tax. The petition claims that, according to the new scale, tobacco leaves of a lower quality are much more heavily taxed than those of a high quality. High quality tobacco is largely imported from abroad and dealt in by foreign merchants, while low quality tabacco is native-produced and dealt in largely by native merchants. In order to protect native industry, the latter ought to have been accorded preferential treatment, the petition says.

Owing to the import of sugar into China amounting to $100,000,000, the Ministry of Industry is devising measures to encourage Chinese overseas to invest in China so as to develop the home sugar industry.

In compliance with the petition of the Hankow Cotton Manufacturers' Association, the Hupeh Provincial Government is planning to establish an office for the control of the cotton yarn industry in the province in order to relieve the local cotton market, which has been greatly affected by Japanese dumping. The Hankow Pacification Headquarters has also been petitioned by the Association to urge the Central Authorities to enforce a dumping tax on foreign cotton and to improve the quality of domestic cotton.

An issue of public bonds for $1,500,000 is to be made by the Hankow Municipal Government to enable it to carry out its program of reconstruction. The issue was approved by the Hupeh Provincial Government April 7.

Cattle Raising to Be Fostered in Kiangsi

A plan has been worked out by the Kiangsi Provincial Government whereby the province will be divided into four large cattle-raising areas, in each of which a society will be established to foster the industry. This step is taken to meet the situation in the province arising as a result of years of banditry. Much of the farm land has been left uncultivated and most of the live stock lost. With the bandit-suppression campaign now nearing conclusion, farm animals are urgently needed for agricultural purposes as a means for the revival of rural economy.

Peiping to Install Automatic Telephones

Acting on the instructions of the Ministry of Communications in Nanking, the Peiping Telephone Administration is making preparations for the installation of the automatic system in Peiping.

A decision was reached at the a meeting of the Standing Committee of the Central Executive Committee in Nanking April 15 to build a National People's Auditorium to be used provisionally as the assembly hall for the National People's Congress (*Kuo-Min Ta-Hui*). Messrs. H. H. Kung, Yeh Chu-tsang, Tang Yu-jen, Chu Min-i, Kan Nai-kwang, Fu Ju-lin and Shih Ying were appointed members of the Construction Committee with Dr. Kung as Chairman.

Conservancy Work Proceeds in Various Parts of China

Li I-chih, Chairman of the Yellow River Conservancy Board, arrived in Nanking April 4 to consult President Wang Ching-wei and Minister H. H. Kung, regarding the remittance of funds for the rehabilitation of the Yellow River Valley. A total sum of $14 millions will be needed for the improvement of the Yellow River.

The Ministry of Communications has approved the request of the Yangtsze River Conservancy Board for the establishment of a committee for the conservancy of the Kiangyin-Haikow section of the River.

High commendation was officially announced in Nanking last week for the valuable services of Kung Hsiang-yung, Director of the Engineering Relief Section of the Yellow River Relief Commission, in successfully completing the engineering work on the breached dykes of the Yellow River at Shihtouchwang, near the Honan-Hopei-Shantung border.

The Hopei Provincial Government has decided to allot a sum of $100,000 for irrigation work on the Hutu Ho (River) in the central part of the province.

The various public bodies of Paoshan have submitted a petition to the Kiangsu Provincial Government requesting that immediate steps be taken for the repair of the dykes along the coast, in view of the approaching season of high tides.

U. S. Senate Committee Reports Favorably on Silver Bill

The Senate Agricultural Committee April 10 reported favorably a Silver Bill providing for the nationalization of the white metal. It also includes other silver legislation, such as the Dies Bill recently passed by the House, and the Wheeler silver purchase resolution. It provides among other things that the legal value of silver, for the purpose of issuing certificates, would be U.S.$1.29 per ounce, thereby creating a substantial profit for the Treasury.

Dr. Kung Wants Stability in Silver Prices

Referring to the question of silver prices, Dr. H. H. Kung, Minister of Finance, in an address at the weekly memorial service at the National Government April 9, declared that it would be in the best interest of China to have stability in the price of silver. Since the ratification by the Government of the London Silver Agreement, Dr. Kung said, there had been much difference of opinion as to the possible effect on China of higher or lower silver prices. Advocates of lower silver contended that higher silver prices would adversely affect China's export trade and would also tend to increased dumping of foreign goods into China. On the other hand, those in favor of higher silver pointed out that with a more favorable exchange, China would be in a better position to buy foreign machinery with which to develop her native industries. Minister Kung declared that while due to his official position, he could not pass judgment on the views of either of these two schools, it was however his considered opinion that China's interests would be best served by stable silver.

American Economist Arrives to Study Silver Question in China

Professor James Harvey Rogers arrived in Shanghai this week from the United States and is making his headquarters at the Cathay Hotel. He is on a mission to investigate the silver situation in China, with special reference to the possible effect which silver legislation in Washington might have upon the position in China. Since 1930 Professor Rogers has served as professor of political economy at Yale University. He previoualy served at the University of Missouri and Cornell University, and he has been delivering lectures at the Geneva School of International Studies.

The Reconstruction Finance Corporation April 5 authorized a loan of $6,000,000 to the new Export and Import Bank for Cuba to enable it to finance the purchase of $8,000,000 worth of silver, which will be re-sold to the Cuban Government.

In order to prevent defacement or re-melting of the standard silver dollars by unscrupulous profiteers, the Ministry of Finance at Nanking has drafted a set of Regulations for the punishment of offences calculated to impair the credit of the standard dollar. *Kuo Min* says the regulations will be put into effect after examination and approval by the Executive Yuan.

130 Trains Move Marshal Chang's Troops South

(*By the Review's Correspondent at Hankow*)

THE military trek from Peiping southward is in full swing. Marshal Chang Hsueh-liang's troops have been moved to the area along the southern half of the Peiping-Hankow railway, south of the Yellow River. And it was some job! 130 trains were requisitioned and the railway officials handled quite efficiently and without disorganizing or demoralizing the service. Sinyangchow, in southern Honan about 150 miles north of Hankow, presented a motley crowd on Easter Day as the troops of General Wang Yi-chi, infantry, cavalry and light artillery disembarked. Gen. Wang is one of the former Northeastern commanders and is now in command of the 67th Army. As the Northeastern troops filter into southern Honan and northern Hupeh, the troops of General Liu Chen-hua, Commander-in-Chief of the Bandit Suppression Forces in Honan, Hupeh, and Anhui are being shifted to Anhui province along the Hupeh border. Tens of thousands of soldiers are coming south where the greener pastures are. It may also be more politic just at this time to leave the north China arena, since a certain foreign power is reported to have unlawful designs on Chahar and Hopei and possibly other provinces.

The Young Marshal Visits Former Red Districts

After his men had taken over the areas in northeastern Hupeh, the Young Marshal visited and inspected his troops under General Ho Chu-kuo, Commander of the 57th Army, at Hwangan, once under a Red regime for several years. Defense works are being erected in the whole area in northeastern Hupeh, motor roads are being widened and gravelled, new roads are being planned. The new troops are eager to demonstrate their usefulness. No attacks have been made by the Reds in this sector since the troops of Marshal Chang arrived from the north.

Commander-in-Chief Liu's Chen-Hua New Headquarters

General Liu Chen-hua has established his new headquarters at Looan, western Anhui. The policy of the government is to close in on the Reds from all sides. An economic blockade is also being organized to prevent foodstuffs and other useful articles needed by the Red from entering their territory. Many of the details of the plan to be followed were discussed at the conference between Gen. Liu and Marshal Chang before the departure of the former on April 3rd for Anking.

General Huang Fu En Route to Nanchang

The Nanking representative in Peiping, General Huang Fu was the guest of honor at luncheon given by Marshal Chang Hsueh-liang at his new residence, the place formerly occupied by the Chief-Engineer of the Canton-Hankow Railway at Hsuchiapeng, Wuchang. Interviewed by the press, Gen. Huang stated that his prime reason for the coming south was to confer with Gen. Chiang Kai-shek and Wang Ching-wei at Nanchang. It was evident from his remarks that he had had many intimate talks with the Japanese diplomatic representatives and that definite proposals had been given him by Japan. These proposals pertain to the whole gamut of outstanding questions beween Japan and China vis-a-vis north China and communications with Manchuria. The removal of the northeastern troops from the area north of the Yellow River may have been one of the conditions laid down by the Japanese for a peaceful solution of the situation around Peiping and Tientsin.

Reds Starting a Drive in N. E. Szechwan

Although the Reds have not made any successful coups the past fortnight, still they have menaced the government forces in three localities. The Nanchang-Kiukiang Railway was broken on Easter Sunday by a sudden attack of Reds (numbering several hundred, on Mahuilin from Yuchiaoho to the south of the station. Not much damage was done and the government troops soon restored order and repaired the tracks.

Of a more serious nature is the roaming of Red Commander **Ho Lung**. It is reliably reported that two thousand bandits have joined forces with him. Tzeli, a city in northern Hunan was threatened about the first of April, the foreign missionaries evacuating. However, Ho Lung has since headed westwards toward Yungshung, according to the latest word received from Tzeli. Death and destruction, fear and terror follow in his wake, and the humble patient country folk and market town dwellers bear the brunt of the suffering caused by these raiding hordes.

In northeastern Szechwan, the Reds are only next to the Kiangsi Soviet in size and influence. Here they have been making good use of the materials and equipment taken from the government arsenal at Suiting last year. Retreating from the plains last autumn when too severely pressed by the Szechwan troops, the Reds under the command of Hsu Hsiang-chien consolidated their position, remaining in the mountainous districts during the winter. Now that spring has come new life enters their bones. Down the valleys they swoop. Where there's life there's also the need for growth and expansion. No doubt the Reds are only human in this matter. With six regiments Red Commander Hsu is advancing steadily on Tungkiang and Pachung, the two strategic centers recently recaptured from the Reds by the government forces under General Liu Hsiang. Additional troops are being rushed to the scene and an effort will be made to stem the tide.

Chiang Kai-Shek Successfully Defeats Reds

Out of 60 *hsien* held by the Reds in Kiangsi some years ago, only 6 remain under the Red regime today. In 1933 30 districts were retrieved, and in 1934 seventeen have been reclaimed. The present bustling activity of road-building, railroad construction, air port planning, and rural reconstruction, augurs well for the future and demonstrates beyond a doubt that the Generalissimo has learnt the lesson of "making haste slowly." The more thorough the preparation the more lasting will be the result. Much better to govern a smaller area well than to spread one's wings over all one would like to govern. If he is able to leaven a small lump gradually the whole will be leavened. Is he going to use the leaven of the Fascists? Rumors in Hankow at present would lead one to think as much. And the small lump is the New Life Movement.

Hankow, April 9, 1934.

Real Estate Review By Realty Investment Co.

New buildings for industry again dominate the permits for new construction. The two largest units are for godowns. The first is for a large reinforced concrete godown in the Eastern District on the corner of Wayside and Dalny Roads, the second is for two large one-story godowns on the French Bund near the East Gate.

Additional new building in the Eastern District is for a factory off Ward Road near Paoting Road, and and an extension to another factory off of Kwangchow Road near Lay Road.

In the Western District of the French Concession, 9 shops and 26 hongs on Rte. Tenant De La Tour north of Route Frelupt.

7 foreign houses on Roure Delastre south of Frelupt and on Rue Lafayette just west of Pichon, one 3-story residence, 1 shop and 2 single hongs.

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The National City Bank of New York, Rates of Exchange

Shanghai, April 11, 1934

Demand selling rate on America:	U.S.$100=Sh. $285.71
Demand buying rate on America:	U.S.$100=Sh. $283.18
Demand selling rate on London:	£1 0.0.=Sh. $14.826
Demand rate on buying London:	£1.0.0=Sh. $14.656

Latest New York Stock Exchange Quotations

Market—Firm — Business Done 1,410,000 Shares

April, 11 1934

1933-34 High	1933-34 Low	Div. $ per Sh.	STOCK	Mon. Apr. 9	Tue. Apr. 10
13¾	8	—	Adams Express	9¾	10⅛
33	11⅛	0.60	Alaska Juneau	21⅝	21¾
160	70¾	6.00	Allied Chemical & Dye	151½	152½
107⅛	19½	4.00	American Can	102	104
19⅞	5⅞	—	American & Foreign Power	10	10
44⅞	7¼	—	American & Foreign Power 7% Pfd.	Unq.	22½
58½	23⅝	5.00	Amer. & For. Power 5% debs. of 2030	52⅛	51¾
27¼	3⅛	—	American Metal Company	26	26⅝
53½	10¾	—	American Smelting	45⅞	45⅝
134¾	86½	9.00	American Tel. & Tel.	118¼	119⅞
94⅝	50¾	5.00	American Tobacco "B"	71¾	72¾
43¼	10⅞	1.00	American Waterworks	20⅝	20⅞
80	35	6.00	American Waterworks $6 preferred	Unq.	Unq.
22⅞	5	—	Anaconda Copper	17	17⅜
18⅞	5⅞	—	Atlas Corporation	12⅞	12⅞
84¼	31	2.00	Auburn Automobiles	51¼	52½
37⅜	8¼	—	Baltimore & Ohio	29⅝	30⅛
49½	10⅛	—	Bethlehem Steel	43¼	44
37⅞	15	1.60	Borden Company	23¾	23¾
28½	5½	0.25	Borg Warner	24¾	25⅝
20⅞	7¼	—	Canadian Pacific Railway	16¾	17
103½	30½	—	Case, J. I.	72	73⅝
47⅞	16⅝	1.40	Chase National Bank	27¾	28¾
52½	14⅞	2.50	Chesapeake Corporation	46¾	47¼
59	7¾	1.00	Chrysler Corporation	53⅛	54⅞
46¼	25	5.50	Cities Service Power & Light 5⅛s/52	39½	39⅛
28⅛	9	0.50	Columbia Gas & Electric	15⅛	15¼
6⅛	1⅜	—	Commonwealth & Southern	2⅝	2⅝
64⅛	34⅜	3.00	Consolidated Gas of N. Y.	37⅝	37¾
20⅛	4⅞	—	Continental Oil	20¼	21
9	2⅝	—	Coty Inc.	7¼	7
5⅞	1½	—	Curtiss Wright Company	4⅝	4¾
102¾	32⅛	2.00	Du Pont de Nemours	97⅞	97⅞
93⅝	46	3.00	Eastman Kodak	89½	89¾
41⅝	10	—	Electric Bond & Share	16¾	16⅞
66	25	6.00	Electric Bond & Share $6 preferred	50¾	51
15⅜	3⅛	—	Electric Power & Light	7	7¼
19	12	—	Fox Film "A"	15½	15¾
10¾	2⅞	—	General Aviation	Unq.	Unq.
30¼	10½	0.40	General Electric	21⅞	22⅜
39⅞	21	1.50	General Foods	34½	34⅞
41½	10	1.00	General Motors	38	39
49½	13¼	1.00	General Railway Signal	Unq.	48½
27⅝	12	1.20	Gold Dust	21¾	21½
47½	9¼	—	Goodyear Tire & Rubber	35⅝	36⅛
40	6⅛	—	International Cement	29	29
46⅛	18⅝	0.60	International Harvester	42	42⅛
29	6¾	—	International Nickel	28⅛	28¼
21¾	5⅛	—	International Tel. & Tel.	14⅞	15⅛
69½	20⅞	4.50	Int. Tel. & Tel. conv. 4½s of 1939	72½	72¾
65¼	21¼	—	Johns Manville	57¼	58¼
26	7⅜	—	Kennecott	22	22½
79⅞	37½	2.40	Lehman Corporation	73⅝	Unq.
99⅞	40½	4.00	Liggett & Myers "B"	91¾	93⅛
36½	8½	1.00	Loew's Inc.	33	33⅜
25¼	10⅜	1.20	Lorillard P. (Com.)	17¾	17⅝
35⅜	8⅝	—	Montgomery Ward	32	32⅜
64½	16⅞	1.00	National City Bank (bid price)	28½	28¾
41⅞	5⅝	—	National Distiller	29¼	30⅝
60½	34	5.00	New England Grs & Electric 5s 1947	Unq.	53½
58½	14	—	New York Central	35	36⅝
36½	12¾	8%S	North American	18⅝	18¾
96¾	31½	2.00	Owens Illionois Glass	86	86½
31⅞	15	1.00	Pacific Gas & Electric	19¼	19½
6⅞	1⅜	—	Packard Motors	5⅝	5⅝
42½	12⅜	0.50	Pennsylvania Railroad	35¼	35⅝
6⅜	1⅛	—	Pennroad Corporation	3⅛	3¼
20	4¾	—	Phillips Petroleum	19⅞	20⅜
12¼	3	—	Radio Corporation	7⅝	7¾
54¼	26½	3.00	Reynolds Tobacco "B"	42⅝	42¼
50⅞	12½	—	Sears Roebuck	48⅞	50⅛
19½	6	1.00	Socony-Vacuum Corporation	16⅝	17
28	14¼	2.00	Southern California Edison	19¾	19¾
22½	5½	—	Standard Gas & Electric	12⅝	12⅝
77	35	6.00	Standard Gas & Elec. 6% notes 1935	65	65½
49¾	22¾	1.00	Standard Oil Co. of N. J.	46⅝	47
60¾	46	3.80	Sterling Products	56½	54¼
9	1½	—	Studebaker	7⅜	7⅞
30⅛	10¾	1.00	Texas Corporation	27½	27⅝
9⅜	2⅝	0.12	Transamerica	6⅞	7¼
51⅞	19¾	1.00	Union Carbide & Carbon	45⅜	45½
132¾	61¼	6.00	UnionPacific	Unq.	133
46⅞	16½	—	United Aircraft & Trans.	23¼	23⅜
14¼	4⅛	—	United Corporation	6½	6¼
25	14	1.20	United Gas Improvement	16⅝	16⅝
25	2⅞	—	U. S. Rubber	19⅞	20¼
67½	28⅝	—	U. S. Steel	52¼	53
51½	21½	2.00	Universal Leaf Tobacco	46	46½
28⅝	7⅝	—	Vanadium	27	27⅜
9½	1	—	Warner Bros. Pictures	7¼	7½
58¾	19¾	—	Westinghouse E. & M.	38	38⅜
53½	25⅛	2.40	Woolworth	51	52¼

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